

Andrew T. Ryan, Esq. (SBN 227700)  
THE RYAN LAW GROUP  
317 Rosecrans Ave.  
Manhattan Beach, CA 90266  
Tel: (310) 321-4800  
Fax: (310) 496-1435  
Andrew.ryan@theryanlawgroup.com

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

SARA OCHOA and KIMBERLY  
BROWN, on behalf of themselves  
and those similarly situated,

Plaintiffs,

v.

ZEROO GRAVITY GAMES LLC,  
a Delaware limited liability  
company,

Defendant.

Case No. 2:22-cv-05896-GHW-AS

**FOURTH AMENDED CLASS  
ACTION COMPLAINT FOR  
DAMAGES AND INJUNCTIVE  
RELIEF**

- 1. Violation of California's Unfair Competition Law ("UCL")**
- 2. Violation of California False Advertising Law ("FAL")**
- 3. Violation of the California Consumer Legal Remedies Act ("CLRA")**
- 4. Fraud**
- 5. Negligent Misrepresentation**
- 6. Violation of Arkansas Deceptive Trade Practices Act**
- 7. Unjust Enrichment**

1 On May 5, 2022, plaintiff Sara Ochoa (“Ms. Ochoa”) filed an action in  
2 the Superior Court of the State of California, County of Los Angeles,  
3 assigned case No. 22-STCV-14939. On July 18, 2022, Ms. Ochoa filed a  
4 First Amended Complaint (“FAC”) in the Superior Court of the State of  
5 California, County of Los Angeles. On August 19, 2022, defendant Zeroo  
6 Gravity Games, LLC (“ZGG”) removed this civil action from the Superior  
7 Court of the State of California, County of Los Angeles, to the United States  
8 District Court for the Central District of California, Western Division, alleging  
9 that this Court has jurisdiction under the Class Action Fairness Act  
10 (“CAFA”), 28 U.S.C. §1332(d). On October 13, 2022, Ms. Ochoa filed a  
11 Second Amended Complaint (“SAC”) against ZGG and AppLovin Corp.  
12 (“AC”).

13 On February 3, 2023, the Court granted, without prejudice, motions  
14 filed by ZGG and AC to dismiss the SAC. The Court granted Ms. Ochoa  
15 leave to amend, including leave to add a plaintiff. Ms. Ochoa, a citizen of  
16 Los Angeles County, and Kimberly Brown (“Ms. Brown”), a citizen of the  
17 State of Arkansas (collectively, “Plaintiffs”) filed a Third Amended  
18 Complaint (“TAC”) on behalf of themselves and those similarly situated  
19 against ZGG and AC on February 27, 2023. On May 25, 2023, the Court  
20 denied-in-part and granted-in-part a motion to dismiss by ZGG and AC and  
21 granted plaintiffs leave to amend. Plaintiffs bring this Fourth Amended  
22 Complaint on behalf of themselves and those similarly situated and allege  
23 as follows:

### 24 **INTRODUCTION**

25  
26 1. ZGG develops, distributes and operates the mobile games  
27 Jackpot Master Slots-Casino (“Jackpot Master”) and Cash Tornado Slots-  
28 Casino (“Cash Tornado”) (collectively, “Games”) that compete in the so-

1 called “social casino” market.

2 2. The Games provide users with virtual slot machines that are  
3 played with virtual gold coins. Users bet the coins and win or lose those  
4 coins based on the randomized outcomes of the Games’ slot machines and  
5 other games of chance.

6 3. When a user’s coin quantity drops below the minimum  
7 requirements to play the Games’ slot machines, he or she is unable to  
8 continue playing. At that time, the Games present users with pop-up ads  
9 encouraging them to purchase more virtual coins in exchange for real world  
10 money to continue their gameplay. These pop-ups often purport to offer  
11 significant sales and discounts for the purchase of virtual coins with  
12 misleading price and coin quantity comparisons.

13 4. The Ninth Circuit has held that earlier versions of Big Fish  
14 Casino, a mobile game that also offers virtual slot machines, “constitutes  
15 illegal gambling under Washington law.” *Kater v. Churchill Downs Inc.*, 886  
16 F.3d 784, 785 (9th Cir. 2018). The Games here likewise constitute illegal  
17 gambling under Washington law. The Games also violate California, and  
18 Arkansas gambling laws.

19 5. This lawsuit is brought on behalf of Plaintiffs and those similarly  
20 situated who have had their money taken from the Games’ illegal slot  
21 machines and who have been deceived into making in-game purchases of  
22 deceptively marketed coins in those Games.

23 6. ZGG develops and publishes the Games, which are playable  
24 on various platforms, including iPhone and Android devices.

25 7. On information and belief, the Games are distributed by ZGG  
26 pursuant to developer agreements with Apple Inc. (“Apple”) and Google,  
27 LLC (“Google”).  
28

1           8. On information and belief, Apple and Google are entities  
2 headquartered in California.

3           9. The Games can be downloaded for free from the Apple App  
4 Store and Google Play store. The Games' simulated slot machines are akin  
5 to those found in real world casinos. The Games give new players an initial  
6 balance of virtual items, including coins allowing access to gameplay.

7           10. After consumers lose their initial allotment of coins, the Games  
8 aggressively attempt to sell those consumers additional coins through  
9 multiple pop-up windows advertising misleading sales and discounts on the  
10 virtual coins. Without additional coins, consumers cannot play the Games'  
11 slot machines.

12           11. Freshly topped off with additional coins, consumers wager to  
13 win more coins in the Games' slot machines. The coins won by consumers  
14 playing the Games' slot machines are identical to the coins that are sold.

15           12. The Games' coins are used to place bets in the Games' slot  
16 machine to extend players' ability to play those slot machines.

17           13. On information and belief, despite purporting to be free-to-play,  
18 Defendants reap massive profits by selling bundles of virtual coins in the  
19 Games. Just as with casino operators, mobile game developers rely on a  
20 small portion of their players to provide the majority of their profits.

21           14. In addition to the addictive nature of the slot machine games  
22 themselves, in order to induce users to make in-game purchases, in its  
23 direct marketing to consumers (including representations made at the time  
24 of purchase), the Games advertise sale deals for virtual coins that are false  
25 and misleading. Many of these advertisements provide comparisons to  
26 fictitious coin quantities and prices for coin bundles and misleadingly  
27 communicated the limited duration of the advertised sales.  
28

**The Games Are Illegal Gambling Under Various State Laws**

15. The Games violate the gambling laws of multiple states, including Washington, California and Arkansas.

16. Defendant has violated California's gambling laws, including the law prohibiting slot machines, lotteries and operating controlled games without a license. In so doing, Defendants have illegally profited from thousands of consumers.

17. California Penal Code §330b prohibits slot machines. Subsection (a) states that "[i]t is unlawful for any person to manufacture, repair, own, store, possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for sale or lease...any slot machine or device, as defined in this section." Cal. PEN §330b(a).

18. ZGG manufactures, repairs, owns, rents, leases or gives away the Games and their slot machines.

19. California Penal Code §330b(a) further provides that "[i]t is unlawful for any person to make or to permit the making of an agreement with another person regarding any slot machine or device, by which the user of the slot machine or device, as a result of the element of hazard or chance or other unpredictable outcome, may become entitled to receive money, credit, allowance, or other thing of value or additional chance or right to use the slot machine or device, or to receive any check, slug, token, or memorandum entitling the holder to receive money, credit, allowance, or other thing of value."

20. On information and belief, ZGG made or permitted the making of agreements with others regarding the Games, including with AC, AppLovin Cyprus Limited, Apple, Google and players of the Games.

1           21. Users of the Games, as a result of the element of chance, may  
2 become entitled to receive virtual coins, which are a credit, token,  
3 allowance, other thing of value or an additional chance or right to use the  
4 Games' slot machines. Specifically, players of the Games' slot machines  
5 receive virtual coins that provide players with the additional chance or right  
6 to continue playing slot machines in the Games. The virtual coins are also  
7 credits, tokens and allowances. The virtual coins are also things of value.  
8 The slot machines in the Games are games of chance.

9           22. California Penal Code 330b(d) provides: "For purposes of this  
10 section, 'slot machine or device' means a machine, apparatus, or device  
11 that is adapted, or may readily be converted, for use in a way that, as a  
12 result of the insertion of any piece of money or coin or other object, or by  
13 any other means, the machine or device is caused to operate or may be  
14 operated, and by reason of any element of hazard or chance or of other  
15 outcome of operation unpredictable by him or her, the user may receive or  
16 become entitled to receive any piece of money, credit, allowance, or thing  
17 of value, or additional chance or right to use the slot machine or device..."

18           23. The Games fall within the definition of slot machine or device  
19 under section 330b(d). The Games operating together with ZGG servers  
20 are a machine, apparatus or device. Further, user's mobile devices are  
21 adapted by the Games to create a slot machine or device. Users play the  
22 Games and purchase virtual coins from the games through hardware  
23 features of the mobile devices on which the Games operate.

24           24. Users exchange real money for virtual coins in the Games.  
25 Users do so by entering payment information, passcodes and passwords  
26 through their mobile device hardware components. User's payments for  
27  
28

1 and receipt of virtual coins are processed, in part, by computers and  
2 servers owned and operated by ZGG.

3 25. The Games' slot machines are games of chance in which the  
4 user may receive or lose additional virtual coins. Virtual coins are a credit,  
5 allowance, thing of value or an additional chance to use the slot machines  
6 in the Games.

7 26. The Ninth Circuit has found that virtual coins similar to those in  
8 the Games constitute a thing of value under Washington's gambling law:  
9 "The virtual chips, as alleged in the complaint, permit a user to play the  
10 casino games inside the virtual Big Fish Casino. They are a credit that  
11 allows a user to place another wager or re-spin a slot machine. Without  
12 virtual chips, a user is unable to play Big Fish Casino's various games.  
13 Thus, if a user runs out of virtual chips and wants to continue playing Big  
14 Fish Casino, she must buy more chips to have the privilege of playing the  
15 game. Likewise, if a user wins chips, the user wins the privilege of playing  
16 Big Fish Casino without charge. In sum, these virtual chips extend the  
17 privilege of playing Big Fish Casino." *Kater v. Churchill Downs Inc.*, 886  
18 F.3d 784, 787 (9th Cir. 2018). The same is true for the Games here.

19 27. The Games also violate other provisions of California and  
20 Arkansas gambling laws, as detailed below.

### 21 **The Games Engage in False and Misleading Advertising**

22 28. The Games present numerous false and misleading advertising  
23 that are most acutely directed to new users of the Games to induce those  
24 players into spending money within the Games early in their interaction with  
25 the Games. On information and belief, by inducing new players into  
26 spending money in the Games as early as possible in their interaction with  
27 the Games, ZGG maximizes the amount of money those players spend  
28



1 within the Games.

2 29. Some of these sale advertisements in the Games were  
3 misleading by offering for sale a particular coin quantity for a listed price  
4 with a comparison to a lower stricken coin quantity or a higher stricken  
5 price for the offered coin quantity. Consumers reasonably understood the  
6 stricken coin quantity or stricken dollar amount in these advertisements to  
7 represent the ordinary or prevailing deal for coins formerly offered to users  
8 of the Games. Instead, the stricken values presented to new users were  
9 fictitious in that they did not represent the ordinary or prevailing deal offered  
10 to other users of the Games. In so doing, the Games misled consumers  
11 into believing that the offered sales were providing an outsized value as  
12 compared to the ordinary or prevailing deal offered by the Games. This  
13 false belief was a material consideration for consumers to make in-game  
14 purchases and consumers reasonably relied on that belief in their purchase  
15 decision.

16 30. Other sale advertisements in the Games were false and  
17 misleading because they purported to be offers available for only a limited  
18 duration of time. These offers included a countdown timer that reasonable  
19 consumers understood to mean the deal would only be available for the  
20 specified amount of time (e.g., 4 hours). In truth, the sale would be offered  
21 repeatedly whenever a user logged into the game, exited the Games' store,  
22 or needed more coins. Users, and in particular new users unfamiliar with  
23 the Games' scheme, were thereby misled into a false sense of urgency  
24 regarding the availability of these sale offers, not knowing that they would  
25 have countless such sales offers (or better ones) in the future. This false  
26 sense of urgency was a material factor in players' decisions to make in-  
27 game purchases, particularly their early purchases.  
28



1           31. For certain advertisements, the Games used both false value  
2 comparisons and false indications of the sale's limited duration.

3           32. Once these players had spent money in the Games, they were  
4 more likely to continue playing and spending in the Games, as they had  
5 already sunk costs into the Games and felt invested. In this way, the  
6 Games' false advertising scheme was designed to trick new users and trap  
7 them in the Games' addictive casino gameplay.

8           33. The Federal Trade Commission ("FTC") describes various  
9 forms of false price comparison schemes as deceptive: "One of the most  
10 commonly used forms of bargain advertising is to offer a reduction from the  
11 advertiser's own former price for an article. If the former price is the actual,  
12 bona fide price at which the article was offered to the public on a regular  
13 basis for a reasonably substantial period of time, it provides a legitimate  
14 basis for the advertising of a price comparison. Where the former price is  
15 genuine, the bargain being advertised is a true one. If, on the other hand,  
16 the former price being advertised is not bona fide but fictitious - for  
17 example, where an artificial, inflated price was established for the purpose  
18 of enabling the subsequent offer of a large reduction - the 'bargain' being  
19 advertised is a false one; the purchaser is not receiving the unusual value  
20 he expects." 16 CFR §233.1(a). "The advertiser should be especially  
21 careful, however, in such a case, that the price is one at which the product  
22 was openly and actively offered for sale, for a reasonably substantial period  
23 of time, in the recent, regular course of his business, honestly and in good  
24 faith - and, of course, not for the purpose of establishing a fictitious higher  
25 price on which a deceptive comparison might be based." 16 CFR  
26 §233.1(b). "Other illustrations of fictitious price comparisons could be given.  
27 An advertiser might use a price at which he never offered the article at all;  
28

1 he might feature a price which was not used in the regular course of  
2 business, or which was not used in the recent past but at some remote  
3 period in the past, without making disclosure of that fact; he might use a  
4 price that was not openly offered to the public, or that was not maintained  
5 for a reasonable length of time, but was immediately reduced. 16 CFR  
6 §233.1(d)

7 34. California statutory and regulatory law also expressly forbids  
8 false discounted pricing schemes: “No price shall be advertised as a  
9 former price of any advertised thing, unless the alleged former price was  
10 the prevailing market price as above defined within three months next  
11 immediately preceding the publication of the advertisement or unless the  
12 date when the alleged former price did prevail is clearly, exactly and  
13 conspicuously stated in the advertisement.” Cal. Bus. & Prof. Code  
14 §17501.

15 35. Since about May 2021, ZGG had control and knowledge over  
16 the pricing and advertisement of coins in the Games across their users and  
17 therefore knew, or should reasonably have known, that its comparative  
18 quantity and price advertising and statements regarding sale duration were  
19 false, deceptive, misleading, and unlawful.

20 36. ZGG fraudulently concealed from and intentionally failed to  
21 disclose to consumers the truth about its advertised discounts and  
22 purported limited time sales.

23 37. Through this false and deceptive marketing, advertising, and  
24 pricing scheme, ZGG has violated California law prohibiting the  
25 advertisement of goods for sale as discounted from false former prices and  
26 prohibiting misleading statements about the existence and amount of price  
27 reductions.  
28

**PARTIES**

38. Plaintiff Sara Ochoa is a citizen and resident of Los Angeles County, California. She downloaded Jackpot Master on her iPhone from the Apple App Store in Los Angeles County. She played Jackpot Master in this County as a guest. She accessed the game's virtual store and saw Jackpot Master's false advertising in this County. She was induced by this false advertising into making an in-game purchase in this County from Jackpot Master's in-game store. She made a purchase from Jackpot Master through her Apple iPhone and Apple payment account.

39. Plaintiff Kimberly Brown is a citizen and resident of the State of Arkansas. She downloaded Cash Tornado on her iPhone from the Apple App Store. She played Cash Tornado and accessed the game's virtual store and made purchases from that store through her Apple iPhone and Apple payment account.

40. On information and belief, Defendant Zeroo Gravity Games LLC is a limited liability company organized and existing under the laws of Delaware. On information and belief, ZGG's principal place of business is located at 1100 Page Mill Road, Palo Alto, California 94304.

41. On information and belief, ZGG is a wholly owned subsidiary of AC. On information and belief, AppLovin Corporation is a Delaware corporation. On information and belief, AC's principal place of business is 1100 Page Mill Road, Palo Alto, California 94304.

**JURISDICTION AND VENUE**

42. This Court has jurisdiction over this action under the Class Action Fairness Act of 2005. Pursuant to 28 U.S.C. §§1332(d)(2), this Court has original jurisdiction because the aggregate claims of the putative class members exceed \$5 million, exclusive of interest and costs, and at least

1 one of the members of the proposed classes is a citizen of a different state  
2 than Defendants.

3 43. This Court has personal jurisdiction over Defendant, because it  
4 has its principal place of business in California, conducts substantial  
5 business and directs its activities from and into California and this District,  
6 including activities that form the basis for the claims here, and a substantial  
7 part of the acts and omissions complained of occurred in this District.

8 44. Plaintiffs further allege, upon information and belief, that the  
9 claims asserted in this complaint arise out of or are related to Defendant's  
10 professional and commercial activities within California, and therefore  
11 Defendant is subject to the specific jurisdiction of the courts of this state.  
12 Specifically, ZGG publishes, advertises, distributes and profits from the  
13 Games and directs activities for these Games from California, through  
14 California entities and into California.

15 45. On information and belief, ZGG generates the majority of the  
16 Games' revenue through the publishing, distribution and monetization of the  
17 Games through contractual relationships with California entities, including  
18 Apple and Google.

19 46. Further, ZGG advertises the Games through Facebook and  
20 Instagram accounts, platforms owned and operated by Meta Platforms Inc.,  
21 an entity headquartered in California.

22 47. Venue is proper in this court because at all relevant times Ochoa  
23 resided in the County of Los Angeles, California and the claims asserted in  
24 this complaint arise out of acts, transactions, and conduct that occurred in  
25 whole or in part within the County of Los Angeles, California.

26  
27 **FACTS**

28 48. The proliferation of internet-connected mobile devices has led

1 to the growth of what are known in the industry as “free-to-play”  
2 videogames. The term is a misnomer. It refers to a model by which the  
3 initial download of the game is free, but companies reap huge profits by  
4 selling thousands of “in-app” items that start at \$0.99 but can quickly  
5 escalate to hundreds or even thousands of dollars.

6 49. The in-app purchase model has become particularly attractive  
7 to developers of games of chance (e.g., poker, blackjack, and slot machine  
8 mobile videogames, amongst others), because it allows them to generate  
9 huge profits. In 2022, the global social casino games market reached \$6.83  
10 billion and is projected to grow to \$8.7 billion in 2026.<sup>1</sup>

11 50. Academics have also studied the socioeconomic effect games  
12 that rely on in-app purchases have on consumers. In one study, the  
13 authors compiled several sources analyzing casino games and stated that:  
14 “[Researchers] found that casino gamers share many similar  
15 sociodemographic characteristics (e.g., employment, education, income)  
16 with online gamblers. Given these similarities, it is perhaps not surprising  
17 that a strong predictor of online gambling is engagement in casino games.  
18 Putting a dark line under these findings, over half (58.3%) of disordered  
19 gamblers who were seeking treatment stated that social casino games  
20 were their first experiences with gambling...According to [another study],  
21

22  
23 <sup>1</sup> *Global Social Casino Games Market Report 2022-2026 Featuring*  
24 *Caesars Entertainment, Aristocrat Leisure, Zynga, Playtika, Scientific*  
25 *Games Corp and DoubleU Games*, Research and Markets (April 26, 2022),  
26 available at: [https://www.globenewswire.com/en/news-](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Games-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Games-Corp-and-DoubleU-Games.html)  
27 [release/2022/04/26/2428795/28124/en/Global-Social-Casino-Games-](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Games-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Games-Corp-and-DoubleU-Games.html)  
28 [Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Games-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Games-Corp-and-DoubleU-Games.html)  
[Leisure-Zynga-Playtika-Scientific-Games-Corp-and-DoubleU-Games.html](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Games-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Games-Corp-and-DoubleU-Games.html)  
(last accessed February 6, 2023).

1 the purchase of virtual credits or virtual items makes the activity of casino  
2 gaming more similar to gambling. Thus, micro-transactions may be a  
3 crucial predictor in the migration to online gambling, as these players have  
4 now crossed a line by paying to engage in these activities. Although, only  
5 1–5% of casino gamers make micro-transactions, those who purchase  
6 virtual credits spend an average of \$78. Despite the limited numbers of  
7 social casino gamers purchasing virtual credits, revenues from micro-  
8 transactions account for 60% of all casino gaming revenue. Thus, a  
9 significant amount of revenue is based on players' desire to purchase  
10 virtual credits above and beyond what is provided to the player in seed  
11 credits.” Hyoun S. Kim, Michael J. A. Wohl, et al., *Do Social Casino*  
12 *Gamers Migrate to Online Gambling? An Assessment of Migration Rate*  
13 *and Potential Predictors*, *Journal of gambling studies* / co-sponsored by the  
14 *National Council on Problem Gambling and Institute for the Study of*  
15 *Gambling and Commercial Gaming* (Nov. 14, 2014), available at  
16 <http://link.springer.com/content/pdf/10.1007%2Fs10899-014-9511-0.pdf>  
17 (citations omitted).

18 51. Many of the players of these social casino games likely have  
19 psychological addictions to playing. See August 1, 2018 letter from  
20 Natasha Dow Schüll, Ph.D. to Washington State Gambling Commission  
21 (available at [https://www.wsgc.wa.gov/sites/default/files/public/news/big-](https://www.wsgc.wa.gov/sites/default/files/public/news/big-fish/Dr.%20Schull%20Comments.pdf)  
22 [fish/Dr.%20Schull%20Comments.pdf](https://www.wsgc.wa.gov/sites/default/files/public/news/big-fish/Dr.%20Schull%20Comments.pdf)).  
23

24 52. In response to the Ninth Circuit decision in *Kater*, several  
25 “social casino” games adjusted their design to comply with gambling laws.  
26 For example, Big Fish Casino allows players to continue spinning its slot  
27 machines for free even when they have run out of virtual currency, without  
28 requiring the viewing of ad or other prolonged interruptions. The class

1 settlement in *Kater* required Big Fish Casino to “change game mechanics  
2 for the Big Fish Casino and Jackpot Magic Slots Applications to ensure that  
3 players who run out of sufficient virtual chips to continue to play the game  
4 they are playing will be able to continue to play games within the  
5 Application they are playing without needing to purchase additional virtual  
6 chips or wait until they would have otherwise received free additional virtual  
7 chips in the ordinary course.” The Games here have not made such efforts  
8 to comply with gambling laws.

9         53. In support of its motion for sanctions, ZGG submitted the  
10 declaration of Zongsheng Li. Mr. Li represented to the Court that he was  
11 the “CEO of Zeroo Gravity Games LLC.” This was a false. In its initial  
12 disclosures, ZGG has since confirmed that Mr. Li is not the CEO of ZGG  
13 and is not even an employee of ZGG. ZGG continues to maintain that Mr.  
14 Li has knowledge of the operation of the Games since their launch.

15         54. Mr. Li stated in his declaration that “[t]he mechanics of these  
16 promotions [in the Games], including the presentation of strikethrough  
17 values and time-limited sales, are fixed by the underlying code for the apps  
18 and these mechanics do not vary from version to version of the games.”

19         55. Mr. Li further stated that “I have provided several screenshots  
20 of gameplay in this Declaration. In each case, the screenshot is from a  
21 current version of the game, but the depiction is also a true and accurate  
22 representation of how the game has always worked in all versions with  
23 respect to the functioning of the promotional mechanics being described...  
24 The specific graphical elements and the pricing baselines (or coin counts,  
25 for example) of the promotions described here may vary from user-to-user  
26 and over time depending on the version of the game and the other factors,  
27 including users’ progression in the game—but in all cases these  
28



1 screenshots and the description I provide truly and accurately reflect how  
2 these sales mechanics have always worked.”

3 56. Mr. Li further stated that “since launching, the relevant in-game  
4 promotions in Jackpot Master have always worked the same way.”

5 57. Mr. Li further stated that “Cash Tornado offers users a different  
6 gameplay experience Jackpot Master, the mechanics behind these  
7 promotional offers function in the exact same way... And since launching,  
8 the First Purchase Bonus Offer and Super Sale Offer have always  
9 functioned the same way in that game too.”

10 **Brief Overview of Jackpot Master**

11 58. Jackpot Master is a mobile application casino-style game  
12 developed and distributed by ZGG. The game is available on iPhone and  
13 Android devices through the Apple App Store and Google Play platforms,  
14 respectively.

15 59. On information and belief, Jackpot Master was first released in  
16 the Google Play Store in July 2021 and in the Apple App Store in August  
17 2021.

18 60. On information and belief, since launching in July 2021 through  
19 November 2022, the relevant in-game promotions in Jackpot Master have  
20 always worked the same way.

21 61. Jackpot Master provides users with a variety of slot machines  
22 on their mobile device. Below is an example of one such slot machine in  
23 Jackpot Master:  
24

25 //

26 //

27 //

28 //



62. In order to play the slot machines in Jackpot Master, users must bet virtual coins, as can be seen at the bottom left in the image above where it says “TOTAL BET.” The slot machines in Jackpot Master require a minimum bet, such that if a user’s coin balance is below that minimum, the user cannot play the slot machine. For example, in the slot machine depicted above, the minimum bet allowed is 120,000 coins. Other slot machine games in Jackpot Master may have other minimum bet requirements.

63. The slot machines in Jackpot Master have all the same trappings as real-world slot machines, including flashing graphics and sound effects. The slot machines in Jackpot Master are games of chance. The outcome of any given spin is random and not dependent on the user’s inputs or skills. Users can set the slot machines to “auto-spin” for up to 500 consecutive spins to reduce or eliminate the need to interact with the game.

64. Users are encouraged by Jackpot Master to make as large a bet as possible through various user interfaces. For example, a “reward” a player obtains as he or she spends more time playing is an increase in the “MAX BET” he or she can make in the slot machines. Other interfaces

1 communicate that the user will get more and better rewards if he or she  
2 increases their bet.

3 65. Users are allotted an amount of coins when they first download  
4 and play the game. They may be awarded more coins through playing the  
5 slot machine games or other games of chance in Jackpot Master. When a  
6 user runs out of coins or attempts to spin a slot machine for a bet amount  
7 exceeding their balance of virtual coins, they are presented with one or  
8 more pop-up advertisements offering the sale of additional virtual coins in  
9 exchange for real world currency. While users may obtain additional coins  
10 by viewing advertisements (often for other mobile casino games) or waiting  
11 for a periodic reward of coins, in order to continue playing the slot  
12 machines without interruption for an extended period after they have lost  
13 their coins, users must purchase more coins.

14 66. The virtual coins purchased by a user for real world money is  
15 used to extend their ability to play the slot machines in Jackpot Master.  
16 These purchased virtual coins are identical to those bet in the slot  
17 machines and subject to the chance of winning or losing of those slot  
18 machines. Further, purchasing coins in lieu of viewing ads renders the  
19 coins a thing of value, as it allows users an uninterrupted period of playing.  
20 The value of avoiding ads may be measured by the money Defendants  
21 receive from ad views. Further, certain sale offers in Jackpot Master  
22 advertise the removal of ads, further indicating the value of purchased  
23 coins.  
24

25 67. Jackpot Master also includes other games of chance, such as  
26 “coin pusher games.”

27 //  
28



68. Jackpot Master also includes functions and encourages users to gamble among each other through social media connections and the formation of gambling “teams” as show in the screen shot below:



69. Jackpot Master also includes mandatory features that place users in competition among each other based largely on the amount they gamble, such as “league” gambling competitions. All users are placed in these gambling competitions without an option to out-out. Below is screen



shot of a league board in Jackpot Master:



70. Jackpot Master also includes a “lotto” game:



71. Certain slot machines in Jackpot Master also include progressive jackpots, indicating that the amount of virtual coins potentially won by the user is a function of the wagers made by them and other players. This can be seen in the screenshot below, where the “Grand,”

1 “Major,” “Minor” and “Mini” jackpot values increment upwards as users  
2 wager their coins in the slot machine.



### 3 Ms. Ochoa's Use of Jackpot Master

10 72. Ms. Ochoa found Jackpot Master in the Apple App Store. In the  
11 absence of any disclaimers or warnings to the contrary, she reasonably  
12 believed Jackpot Master complied with the law. Had Ms. Ochoa known that  
13 Jackpot Master was engaged in illegal gambling, she would not have  
14 downloaded and began playing it.

16 73. On or about March 2022 she was presented with an  
17 advertisement in Jackpot Master for a “Super Sale” that had a presentation  
18 the same or substantially similar to the image below:

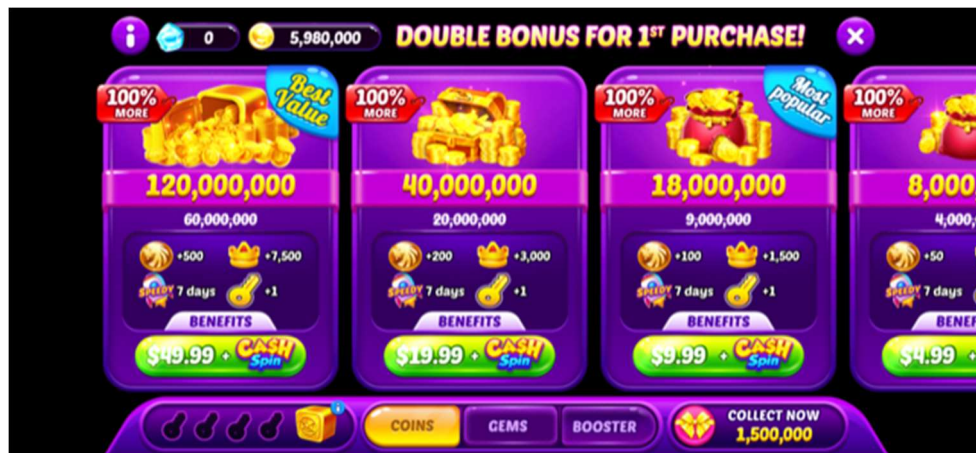


26 74. The Super Sale ad included a 4-hour countdown timer. Ms.  
27 Ochoa reasonably understood this advertisement to communicate that the  
28

1 offered sale would be available for only 4 hours and that if she did not take  
2 advantage of that offer within those 4 hours, the same sale would not be  
3 available again soon.

4 75. The Super Sale ad included the phrase the same or  
5 substantially similar to: “WAS \$49.99 NOW FOR \$1.99.” Ms. Ochoa  
6 reasonably understood this to communicate that the ordinary, normal and  
7 prevailing price formerly offered by Defendant to users of Jackpot Master  
8 for 60 million coins was \$49.99.

9 76. At the same time, Jackpot Master’s in-game store was  
10 displaying to Ms. Ochoa a sale offer labeled “Double Bonus for 1<sup>st</sup>  
11 Purchase!” having a presentation the same or substantially similar to the  
12 image below:



13  
14  
15  
16  
17  
18  
19  
20  
21 77. The “Double Bonus for 1<sup>st</sup> Purchase” advertisement above  
22 depicts a sale offer at \$49.99 for 120 million coins with 60 million coins  
23 stricken below. Ms. Ochoa reasonably understood from the Double Bonus  
24 for 1<sup>st</sup> Purchase ad together with the Super Sale ad, that the ordinary,  
25 normal and prevailing price formerly offered by Jackpot Master for 60  
26 million coins was \$49.99.

27 78. To the best of her recollection, Ms. Ochoa purchased a coin  
28 pack from Jackpot Master for \$1.99 on or around March 26, 2022 through a



1 Super Sale ad the same or substantially similar to that depicted above in  
2 paragraph 58. A copy of Ms. Ochoa's receipt for this purchase is attached  
3 as Exhibit A.

4 79. Ms. Ochoa's reasonable understanding that the Super Sale  
5 would expire within 4 hours and not be offered again soon, and her  
6 reasonable understanding that coin quantity she was receiving for \$1.99  
7 represented a value far better than the \$49.99 price Jackpot Master  
8 normally offered its users were material factors in her decision to make her  
9 in-game purchase.

10 80. Had Ms. Ochoa known that the ordinary price for that same (or  
11 larger) coin pack in Jackpot Master was routinely offered at a price much  
12 less than \$49.99 and that other players of Jackpot Master were being  
13 offered far better deals, she would not have made her purchase.

14 81. Had Ms. Ochoa known that there was no true urgency for  
15 taking advantage of the advertised "Super Sale," she would not have made  
16 her purchase.

17 82. Ms. Ochoa continued to play Jackpot Master and its games of  
18 chance until she lost all her coins, at which time she was again prompted to  
19 purchase more coins purportedly on sale.

20 83. Months after making her March 2022 purchase, Ms. Ochoa was  
21 again presented with a "Double Bonus for 1<sup>st</sup> Purchase!" advertisement in  
22 Jackpot Master as depicted below:  
23

24 //

25 //

26 //

27 //

28 //

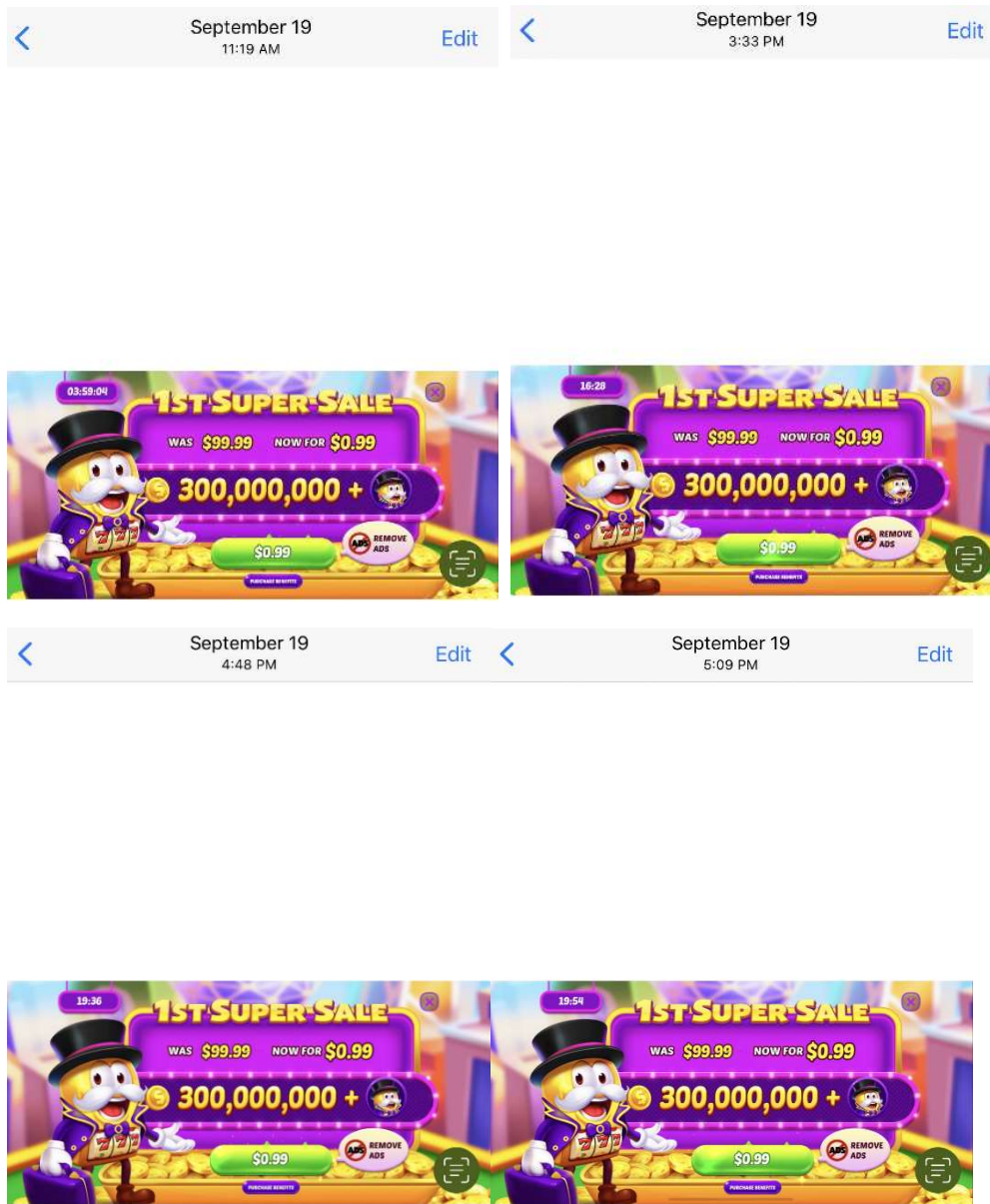


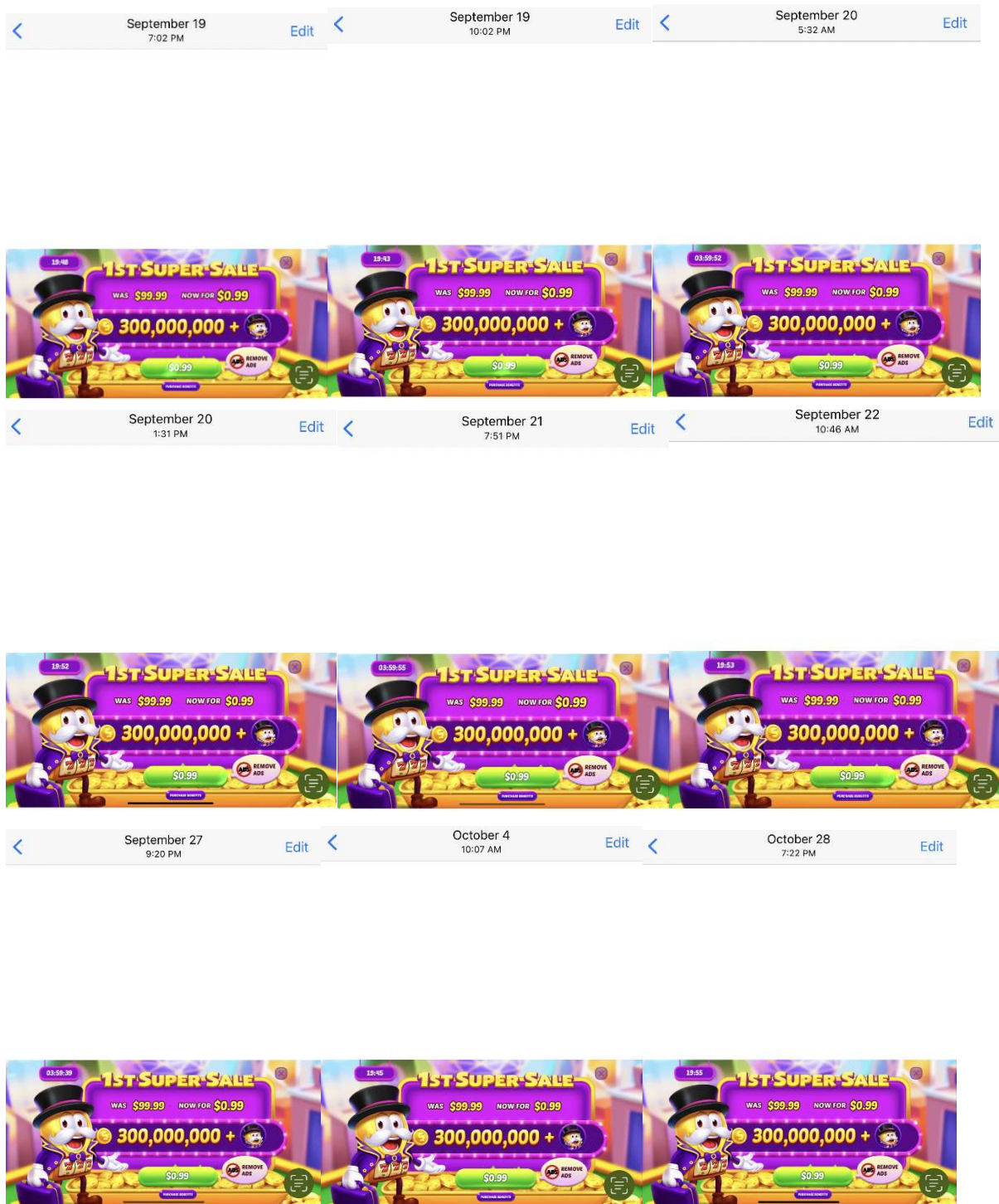
### **Jackpot Master's Advertisements Are False and Misleading**

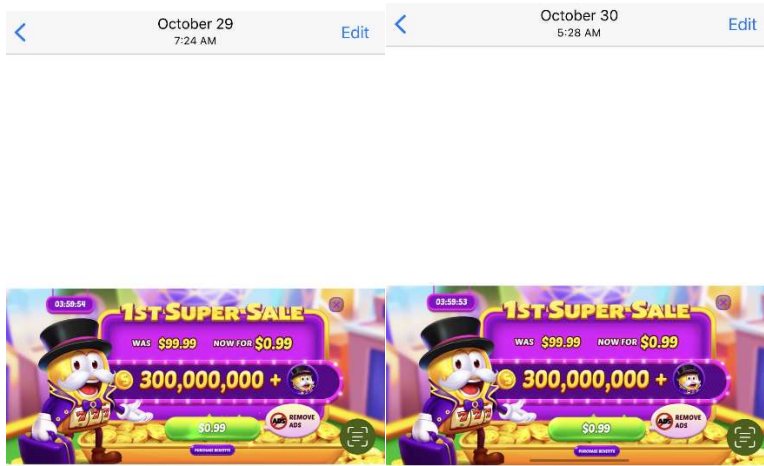
84. On information and belief based on counsel's investigation, contrary to Ms. Ochoa's reasonable understanding of Jackpot Master's advertisements, Super Sales of the same or better value in Jackpot Master are made available repeatedly and frequently beyond the indicated 4-hour countdown timer.

85. On information and belief based on counsel's investigation, contrary to Ms. Ochoa's reasonable understanding of Jackpot Master's advertisements, Super Sales of the same or better value in Jackpot Master are unavailable for only trivial periods of time.

86. On information and belief based on counsel's investigation, the Super Sales in Jackpot Master are presented over and over with new reset timers for weeks or longer, including whenever a user logs into the game, exits the game's store or needs more coins to place a bet and extend game play. The series of screen shots below were taken from Jackpot Master from the same device between September 19, 2022 at 11:19 AM PST and October 30, 2022 with the date and time stamp (in Pacific time) for each screen shot shown at the top. These screen shots show the same Super Sale offer in Jackpot Master being presented repeatedly over the course of weeks and well beyond the 4-hour time limit indicated:







87. On information and belief based on counsel's investigation, the operation of the Super Sale offers depicted in the screenshots above was the same or substantially similar at the time of Ms. Ochoa's purchase. This is confirmed by Mr. Li's declaration.

88. On information and belief and based on counsel's investigation, contrary to Ms. Ochoa's reasonable understanding of Jackpot Master's advertisements, the ordinary, prevailing or standard price for the coin quantity offered to Ms. Ochoa (e.g., 60 million coins) normally offered by Jackpot Master to its users was not truly \$49.99. In reality, Jackpot Master regularly offered coin packs to Jackpot Master users at significantly better values than presented in the first Super Sale shown to Ms. Ochoa.

89. For example, the screenshot below shows a First Purchase Bonus offer made to a different user of Jackpot Master on November 12, 2022 at 9:33p PST:

//

//

//

//





90. In the image above, the user is being offered 240 million coins for \$49.99, with 120 million coins stricken below as the purported “ordinary” deal. Comparing that to the Super Sale offer shown in paragraph 58, which communicated that \$49.99 was the prevailing price for 60 million coins demonstrates that the reference prices and coin quantities shown in paragraphs 58 and 61 were fictitious.

91. The screenshot below shows offers being made on November 12, 2022 at 9:33p PST (the same time as the image in paragraph 72) to another user who had been playing for several months without making a purchase:



92. As can be seen, the coin values being offered to the latter user are significantly higher than those represented to the user in paragraph 72 as the “ordinary” value. The user in paragraph 74 is being offered 5.4 billion

1 coins for \$49.99 (with 1.8 billion stricken as the purported “ordinary” value)  
2 compared to the user in paragraph 72 being offered 240 million coins for  
3 \$49.99 (with 120 million coins stricken as the purported “ordinary” value).

4 93. As another example, below is a screen shot of a Super Sale  
5 offer to yet another user:



10 94. This user is also being offered 1.8 billion coins for \$1.99 and  
11 being told the ordinary price for that coin quantity is \$49.99, demonstrating  
12 that the presentation shown in paragraph 58 communicating that \$49.99  
13 ordinarily buys you only 60 million coins is false and misleading.

15 95. On information and belief, the initial presentation of the stricken  
16 values in the “Super Sale” and “Double Bonus for 1<sup>st</sup> Purchase!”  
17 advertisements presented to the new user of Jackpot Master are false,  
18 because other users of Jackpot Master were being presented with  
19 prevailing offers that were significantly better values at the same time and  
20 in the 90 days preceding the presentation to the new user.

21 96. On information and belief, the stricken values in the “Super  
22 Sale” and “Double Bonus for 1<sup>st</sup> Purchase!” advertisements presented to  
23 the new user of Jackpot Master are false, because they do not truthfully  
24 represent the “ordinary” or “normal” deal formerly offered by Jackpot  
25 Master for coin packs, but rather they are fictitious values presented by  
26 Jackpot Master to induce users into making purchases as early as possible  
27 upon first playing Jackpot Master and at lower values.  
28



1           97. Accordingly, Jackpot Master's advertisements of these coin  
2 bundles that were purportedly on sale were false, deceptive and intended  
3 to mislead players into making in-app purchases that they otherwise would  
4 not have made. ZGG falsely promoted these bundles as being on sale or  
5 discounted by misrepresenting that such bundles normally offer  
6 substantially less value than the advertised deal.

7           98. The advertising, pricing and quantity of coins in Jackpot Master  
8 is within ZGG's knowledge and control.

9           99. ZGG had actual knowledge that the false strikethrough ads and  
10 false limited time sales contained false or misleading misrepresentations as  
11 to their prior values and as to their duration. ZGG designed and promoted  
12 these advertisements while having actual knowledge that these quantitative  
13 representations of sale values were false.

14           100. ZGG promoted these advertisements to create a false sense of  
15 urgency in its players to induce those players into purchasing the gold  
16 bundles. ZGG did so while knowing that the bundles contained quantitative  
17 misrepresentations with respect to the comparative value of the gold  
18 displayed and with respect to the duration of the availability of those deals.

19           101. The amount of gold included in a bundle, and whether the  
20 bundle being offered for sale represents a good value and outsized amount  
21 of gold a player is receiving for his or her purchase with the corresponding  
22 bundle, is a material consideration when a player decides whether to  
23 purchase a bundle.

24           102. Similarly, the urgency and duration of a purported sale for in-  
25 game items is material to a consumer's purchase decision.

26           103. These pricing and advertising practices reflecting high-pressure  
27 fake sales are patently deceptive. They are intended to mislead customers  
28

1 into believing that they are getting a bargain by buying virtual coins on sale  
2 and at a substantial and deep discount.

### 3 **Brief Overview of Cash Tornado**

4 104. Cash Tornado is a mobile application casino-style game  
5 developed and distributed by ZGG. The game is available on iPhone and  
6 Android devices through the Apple App Store and Google Play platforms,  
7 respectively.

8 105. On information and belief, Cash Tornado was first released in  
9 the Google Play Store in May 2019, and in the Apple App Store in March  
10 2020. On information and belief, since launching through November 2022,  
11 the promotional offers in Cash Tornado have functioned the same way.

12 106. Cash Tornado provides users with a variety of slot machines on  
13 their mobile device. Below is an example of one such slot machine in Cash  
14 Tornado:



15  
16  
17  
18  
19  
20 107. In order to play the slot machines in Cash Tornado, users must  
21 bet virtual coins. The slot machines in Cash Tornado require a minimum  
22 bet, such that if a user's coin balance is below that minimum, the user  
23 cannot play the slot machine. For example, in the slot machine depicted  
24 above, the minimum bet allowed is 90,000 coins. Other slot machine  
25 games in Jackpot Master may have other minimum bet requirements.

26 108. The slot machines in Cash Tornado have all the same  
27 trappings as real-world slot machines, including flashing graphics and  
28

1 sound effects. The slot machines in Cash Tornado are games of chance.  
2 The outcome of any given spin is randomized and not dependent on the  
3 user's inputs or skills. Users can set the slot machines to "auto-spin" for up  
4 to 500 consecutive spins to reduce or eliminate the need to interact with the  
5 game.

6 109. Users are encouraged by Cash Tornado to make as large a bet  
7 as possible through various user interfaces. For example, a "reward" a  
8 player obtains as he or she spends more time playing is an increase in the  
9 "MAX BET" he or she can make on a given spin. Other interfaces  
10 communicate that the user will get more and better rewards if he or she  
11 increases their bet.

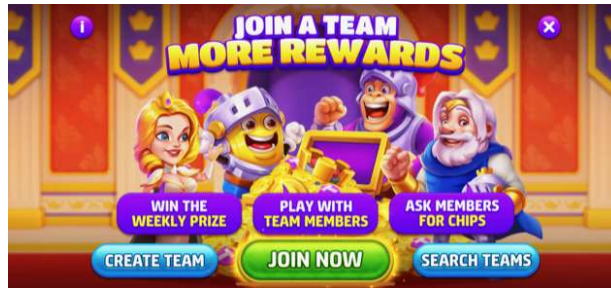
12 110. Users are allotted an amount of coins when they first download  
13 and play the game. They may be awarded more coins through playing the  
14 slot machine games or other games of chance in Cash Tornado and  
15 through periodic promotions. When a user runs out of coins or attempts to  
16 spin a slot machine for a bet amount exceeding their balance of virtual  
17 coins, they are presented with a pop-up advertisement offering the sale of  
18 additional virtual coins in exchange for real world currency.

19 111. On information and belief, unlike Jackpot Master, users of Cash  
20 Tornado are not given the option to view advertisements to obtain virtual  
21 coins when they run out of coins. At times, the only option available to  
22 players of Cash Tornado to extend their play of the slot machines is by  
23 purchasing more virtual coins using real world money. Users can be barred  
24 from playing Cash Tornado's slot machines for hours or longer if they do  
25 not purchase more virtual coins.

26 112. The virtual coins purchased by a user for real world money are  
27 used to extend their ability to play the slot machines in Cash Tornado.  
28

1 These purchased virtual coins are identical to those bet in the slot  
2 machines and subject to the chance of winning or losing of those slot  
3 machines.

4 113. Cash Tornado has functions and encourages users to gamble  
5 among each other through social media connections and creation of  
6 gambling “teams” as shown in the screen shot below:



12 114. Cash Tornado also includes other games of chance, including a  
13 “lottery” as depicted in the below screenshots:





115. The “Grand Prize” in the Cash Tornado lottery game increments upwards rapidly, indicating that its value is a function of users’ participation in the lottery. The Grand Prize in the Cash Tornado lottery game is awarded to a user among Cash Tornado’s users. Cash Tornado users are entered into the lottery automatically.

116. In response to the question “What’s the expected value of the Grand Prize[?],” the Cash Tornado lottery information tab states that the “[c]oin values of all prizes are converted at the exchange rate against US dollars in the Coin Store.”:

//

//

//

//





9 117. Certain slot machines in Cash Tornado also include  
10 progressive jackpots, indicating that the amount of virtual coins potentially  
11 won by the user is a function of the wagers made by them and other  
12 players. This can be seen in the screenshots below, where the jackpot  
13 values increment upwards as users wager their coins in the slot machine  
14 and the game states “HIGHER BET HIGHER CHANCE TO WIN”:



24 118. Cash Tornado also includes other games of chance, including  
25 scratch off games:

26 //

27 //



### **Ms. Brown's Use of Cash Tornado**

119. Ms. Brown found Cash Tornado in the Apple App Store. In the absence of any disclaimers or warnings to the contrary, she reasonably believed Cash Tornado complied with the law. Had Ms. Brown known that Cash Tornado was engaged in illegal gambling, she would not have downloaded and began playing it.

120. Upon beginning to play Cash Tornado, Ms. Brown was presented with an advertisement for a "Super Sale" offer for virtual coins in Cash Tornado. On information and belief, Ms. Brown was presented with a Super Sale in Cash Tornado substantially similar to the one below in or about June 2021:



121. Similar to Jackpot Master, Super Sale promotions in Cash Tornado include a 4-hour countdown timer. Ms. Brown reasonably



1 understood the Super Sale offer to communicate that the offered sale  
2 would be available for only 4 hours and that if she did not take advantage  
3 of that offer within those 4 hours, the same sale would not be available  
4 again soon.

5 122. The Super Sale also included the phrase the same or similar to  
6 "GET IT NOW FOR ~~\$99.99~~" in advertising the sale for coins alongside the  
7 lower offered price. Ms. Brown reasonably understood this to communicate  
8 that the ordinary, normal and prevailing price formerly offered by Cash  
9 Tornado for the listed coin amount was \$99.99 and that the Super Sale was  
10 presenting a unique and outsized value of limited duration, thereby  
11 requiring urgent action on her part to take advantage of the deal.

12 123. Ms. Brown made a purchase from Cash Tornado via a Super  
13 Sale pop-up for \$1.99 on or around June 5, 2021.

14 124. Ms. Brown's reasonable understanding that the Super Sale she  
15 was presented would expire within 4 hours and not be offered again soon,  
16 and her reasonable understanding that she was receiving a sale price far  
17 better than the \$99.99 price Cash Tornado normally offered its users for the  
18 same quantity of coins were material factors in her decision to make her in-  
19 game purchase.

20 125. Had Ms. Brown known that the Super Sale she was offered in  
21 Cash Tornado would be presented frequently and repeatedly and that the  
22 stricken price presented was fictitiously high as compared the prevailing  
23 offer Cash Tornado was making to other users, she would not have made  
24 her initial purchase in Cash Tornado.

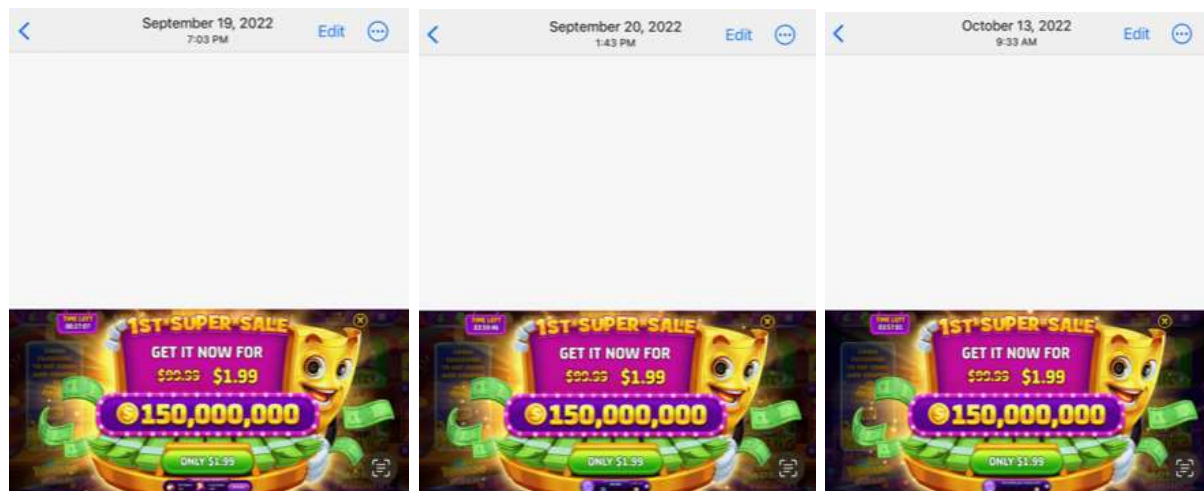
25 126. Ms. Brown continued to play Cash Tornado and its various  
26 games of chance until she lost all her virtual coins and made additional  
27 purchases of virtual coins from Cash Tornado to be able to continue  
28

1 playing. A copy of receipts of Ms. Brown's purchases from Cash Tornado  
2 from June 2021 are attached hereto as Exhibit B.

3 **Cash Tornado's Sale Advertisements Are False and Misleading**

4 127. On information and belief and based on counsel's investigation,  
5 contrary to Ms. Brown's reasonable understanding of Cash Tornado's  
6 advertisements, Super Sales of the same or better value in Cash Tornado  
7 are made available repeatedly and frequently beyond the indicated 4-hour  
8 countdown timer, including whenever a user logs in, exits the game's store  
9 or runs out of coins.

10 128. On information and belief and based on counsel's investigation,  
11 the Super Sale offers in Cash Tornado are presented over and over with  
12 new timers for weeks or longer. The series of screen shots below were  
13 taken from Cash Tornado with the date and time stamp (in Pacific time) for  
14 each screen shot shown at the top. These screen shots show the same  
15 Super Sale offer in Cash Tornado being presented repeatedly over the  
16 course of weeks and well beyond the 4-hour time limit indicated, similar to  
17 Jackpot Master:  
18



129. On information and belief and based on counsel's investigation,

1 contrary to Ms. Brown's reasonable understanding of Cash Tornado's  
2 advertisements at the time of her first purchase, Super Sales of the same  
3 or better value in Cash Tornado would be made available repeatedly and  
4 frequently beyond the indicated 4-hour countdown timer.

5 130. On information and belief and based on counsel's investigation,  
6 Super Sale offers in Cash Tornado are presented over and over with new  
7 timers for weeks or longer. In this way, the 4-hour timer presented with the  
8 Super Sale offers misleadingly induced Ms. Brown and other consumers to  
9 believe that the availability of such Super Sales in Cash Tornado were of  
10 more limited duration than in reality.

11 131. On information and belief and based on counsel's investigation,  
12 \$99.99 was not the ordinary, prevailing or standard offer for the coin pack  
13 offered to Ms. Brown in the initial Super Sale she was presented. On  
14 information and belief, the stricken dollar amounts in the Super Sale  
15 presentations in Cash Tornado are fictitiously inflated when presented to  
16 new users.

17 132. As shown in the screen shot from Cash Tornado below, other  
18 users receive offers for coins in Cash Tornado far exceeding the purported  
19 ordinary, normal or prevailing offer for coins communicated to the ads in  
20 paragraphs 97 and 105:

21 //

22 //

23 //

24 //

25 //

26 //

27 //

28 //



133. This user is being offered a Super Sale for 1.8 billion coins for 99 cents with a purported normal price of \$99.99 - greater than ten times more coins that the ads in paragraphs 97 and 105 are saying is the normal, prevailing and ordinary former price for \$99.99 in Cash Tornado.

134. Accordingly, Cash Tornado's advertisements of these coin bundles that were purportedly on sale were false, deceptive and intended to mislead players into making in-app purchases that they otherwise would not have made. ZGG falsely promoted these bundles as being on sale or discounted by misrepresenting that such bundles normally offer substantially less value than the advertised deal.

135. On information and belief and based on counsel's investigation, the operation of the Super Sale offers was the same or substantially similar at the time of Ms. Brown's purchase. This is confirmed by Mr. Li's declaration.

136. The advertising, pricing and quantity of coins in Cash Tornado is within ZGG's knowledge and control. ZGG had actual knowledge that the false strikethrough ads and false limited time sales contained false or misleading misrepresentations as to their prior values and as to their

1 duration. ZGG designed and promoted these advertisements while having  
2 actual knowledge that these quantitative representations of sale values  
3 were false.

4 137. ZGG promoted these advertisements to create a false sense of  
5 urgency in its players thereby inducing those players into purchasing the  
6 gold bundles. ZGG did so while knowing that the bundles contained  
7 quantitative misrepresentations with respect to the comparative value of the  
8 gold displayed and with respect to the duration of the availability of those  
9 deals.

10 138. The amount of gold included in a bundle, and whether the  
11 bundle being offered for sale represents a good value and outsized amount  
12 of gold a player is receiving for his or her purchase with the corresponding  
13 bundle, is a material consideration when a player decides whether to  
14 purchase a bundle.

15 139. Similarly, the urgency and duration of a purported sale for in-  
16 game items is material to a consumer's purchase decision.

17 140. These pricing and advertising practices reflecting high-pressure  
18 fake sales are patently deceptive. They are intended to mislead customers  
19 into believing that they are getting a bargain by buying virtual coins on sale  
20 and at a substantial and deep discount.

### 21 **The Games Violate California Gambling Laws**

22 141. The Games violate various California gambling laws, including  
23 California Penal Code §330b, which prohibits slot machines.

24 142. California courts have observed that the plain text of this statute  
25 sets forth three key elements: payment, chance, and prize. *See People ex*  
26 *rel. Green v. Grewal*, 61 Cal.4th 544, 564, 189 Cal.Rptr.3d 686, 699, 352  
27 P.3d 275, 286 (2015) (quoting *Trinkle v. Stroh*, 60 Cal.App.4th 771, 782, 70  
28



1 Cal.Rptr.2d 661, 667 (1997). First, the machine or device must be activated  
2 by “the insertion of money or [some] other object.” *Trinkle v. Cal. State*  
3 *Lottery*, 105 Cal.App.4th 1401, 1410, 129 Cal.Rptr.2d 904, 910 (2003).  
4 Second, “the operation of the machine [must be] unpredictable and  
5 governed by chance.” *Id.* Third, “by reason of the chance operation of the  
6 machine, the user may become entitled to receive a thing of value.” *Id.*

7 143. Virtual currency in a mobile game, purchased with real money,  
8 has been found to be the insertion of money or some other object under  
9 §330b. *Soto v. Sky Union, LLC*, 159 F.Supp.3d 871, 878-89 (N.D. Ill. 2016)  
10 (“the plain language of section 330b(d)...provides that in addition to  
11 machines or devices that require the insertion of money or coins, the term  
12 ‘slot machine or device’ includes devices that may be operated ‘by any  
13 other means.’ Cal. Penal Code § 330b(d)...it would make little sense to  
14 read the broad language of section 330b(d) to capture games operated by  
15 insertion of purchased physical tokens while excluding games operated by  
16 insertion of purchased virtual gems...it does not matter that gems are  
17 imaginary currency.”).

18 144. ZGG manufactures, repairs, owns, rents, leases or gives away  
19 the slot machines in the Games. ZGG develops the software for the  
20 Games. ZGG provides updates to the Games’ software to fix bugs and  
21 otherwise update the Games’ slot machines. ZGG offers and distributes the  
22 Games for free through iOS and Android mobile storefronts. ZGG owns the  
23 Games. ZGG provides the software for the Games to Apple and Google for  
24 players to download on their mobile devices.

25 145. On information and belief, ZGG makes agreements with other  
26 people regarding the Games, including AC, AppLovin Cyprus Ltd., Apple,  
27 Google and players of the Games, by which users of the Games’ slot  
28

1 machines, as a result of the element of hazard or chance or other  
2 unpredictable outcome, may become entitled to receive credit, allowance,  
3 or other thing of value or additional chance or right to use the Games' slot  
4 machines.

5 146. On information and belief, ZGG enters into agreements with  
6 Apple and Google to distribute the Games and process payments by  
7 players of the Games for the purchase of virtual coins in the Games in  
8 exchange for real money.

9 147. On information and belief, ZGG enters into agreements with  
10 players of the Games for the sale of virtual coins in the Games in exchange  
11 for real money.

12 148. The outcomes of the slot machines in the Games are the result  
13 of the element of chance. Depending on the outcome of a slot machine  
14 spin in the Games, a user may receive or lose virtual coins. That outcome  
15 is random and not determined by the player's skill.

16 149. Virtual coins in the Games are a credit, token, allowance, other  
17 thing of value or an additional chance or right to use the slot machines in  
18 the Games.

19 150. On information and belief, the Games are not located upon or  
20 are being transported by a vessel regularly operated and engaged in  
21 interstate or foreign commerce.

22 151. On information and belief, Defendants do not conduct their  
23 business activities with respect to the Games in accordance with the terms  
24 of a license issued by a tribal gaming agency pursuant to the tribal-state  
25 gaming compacts entered into in accordance with the Indian Gaming  
26 Regulatory Act (18 U.S.C. Sec. 1166 to 1168, inclusive, and 25 U.S.C. Sec.  
27 2701 et seq.).  
28

1        152. Each Game is an apparatus under §330b. Alternatively, the  
2 Game operating in connection to servers owned or controlled by ZGG is an  
3 apparatus under §330b. Alternatively, mobile devices operating the Games  
4 are a machine, device or apparatus under §330b. Alternatively, mobile  
5 devices operating the Games together with servers are together a machine,  
6 device or apparatus under §330b.

7        153. The software for the Games modifies mobile phones devices,  
8 such as iPhones and Android devices, into slot machines as defined by the  
9 California Penal Code.

10        154. The Games' software operating on a mobile device, such as an  
11 iPhone or Android smartphone, is a machine, device or apparatus.

12        155. In order to download the Games onto their mobile devices,  
13 users must interact with the hardware features of their mobile devices,  
14 including using the touch screen and hard buttons to enter account  
15 information, password pin code and other button sequences required to  
16 confirm and execute the download.

17        156. Further, in order to make purchases within the Games, users  
18 must interact with the hardware elements of their phones, including the  
19 touchscreen and hard buttons. Users must enter payment information into  
20 their mobile devices using hardware features, including a keyboard. Users  
21 must also enter a password or pin code, press buttons and provide other  
22 identifying information through their phone's hardware elements, such as  
23 the keyboard, camera or fingerprint reader, in order to purchase virtual  
24 coins from the Games.

25        157. The Games are downloaded onto users' devices through  
26 servers owned, operated and/or controlled by ZGG. These servers have  
27 hardware components. When a user plays the Games through their mobile  
28

1 device, servers owned, operated and/or controlled by ZGG communicate  
2 with the user's mobile device. That communication between the servers  
3 owned, operated and/or controlled by ZGG and a user's mobile device  
4 takes place through hardware, including routers, switches, cables, and cell  
5 phone towers. Communication with the servers owned, operated or  
6 controlled by ZGG is required in order to provide users with the slot  
7 machines in the Games, update and repair the slot machines in the  
8 Games, complete purchases of virtual coins used to play the slot machines  
9 in the Games and to record players' balance of virtual coins needed to play  
10 the slot machines in the Games.

11 158. Users operate the Games through the hardware features of  
12 their mobile device, including the touch screen.

13 159. The Games adapt mobile phones into a device for use in a way  
14 that, as a result of the payment of money for virtual coins, the device is  
15 caused to be operated by reason of an element of chance in which the user  
16 may receive or become entitled to receive a thing of value or additional  
17 chance or right to use the Games.

18 160. California Penal Code §319 provides: "A lottery is any scheme  
19 for the disposal or distribution of property by chance, among persons who  
20 have paid or promised to pay any valuable consideration for the chance of  
21 obtaining such property or a portion of it, or for any share or any interest in  
22 such property, upon any agreement, understanding, or expectation that it is  
23 to be distributed or disposed of by lot or chance, whether called a lottery,  
24 raffle, or gift enterprise, or by whatever name the same may be known."  
25 The Games are illegal lotteries as defined by California Penal Code 319.  
26 Cal. Penal Code §§319, 322, 323, 326.  
27  
28

1 161. The Games are a scheme for the disposal or distribution of  
2 property by chance among persons who have paid valuable consideration  
3 for the chance of obtaining such property. Specifically, players of the  
4 Games spend money to buy virtual coins. The Games dispose of those  
5 virtual coins by chance.

6 162. The virtual coins in the Games are “property” under §319.  
7 Section 7 of the Penal Code provides that “the word ‘property’ includes  
8 both real and personal property” and “the words ‘personal property’ include  
9 money, goods, chattels, things in action, and evidences of debt.” These  
10 definitions are not exclusive of anything else properly coming within the  
11 terms defined. “A thing in action is a right to recover money or other  
12 personal property by a judicial proceeding.” Civil Code, §953. “Property” is  
13 further defined in the Civil Code as a “thing of which there may be  
14 ownership.” Civil Code, §654. There may be ownership, among other  
15 things, “of all obligations.” Civil Code, §655. “An obligation is a legal duty by  
16 which a person is bound to do or not to do a certain thing.” Civ. Code  
17 §1427. An obligation may arise from contract. Civ. Code §1428.

18 163. ZGG’s duty as the operator of the Games is to permit users to  
19 play further games in exchange for virtual coins. This is an obligation  
20 arising from contract and the right of the player in the matter is personal  
21 property and a thing in action. Cal. Civ. Code §663, §953.

22 164. The May 2020 terms of service for Jackpot Master stated that  
23 “you may be provided an opportunity to purchase a limited license to Virtual  
24 Goods and Game Currency using real-world money at prices established  
25 by the Company in its sole discretion...” Ex. C. at 4. The May 2020 terms of  
26 service for Jackpot Master further stated that “Game Currency are virtual  
27 tokens that we license and each virtual token represents contractual  
28



1 permission from Company to access certain features of the Platform.” Ex.  
2 C at 4. Virtual coins in the Games, therefore, are property within the  
3 meaning of California Penal Code §319.

4 165. On information and belief, ZGG receives money, directly or  
5 indirectly, from the Games.

6 166. The Ninth Circuit has found that virtual coins used to play  
7 mobile casino games similar to those in the Games constitute a thing of  
8 value under Washington’s gambling law. *Kater v. Churchill Downs Inc.*, 886  
9 F.3d 784, 787 (9th Cir. 2018). California courts have held that a reward of  
10 extended play by a video game for winning is a thing of value within the  
11 meaning of the Penal Code definition. See *Merandette v. City & Cty. of San*  
12 *Francisco*, 88 Cal.App.3d 105, 114, 151 Cal.Rptr. 580, 586 (1979).

13 167. To the extent Games operating on mobile devices and in  
14 connection to servers are not illegal slot machines and do not include an  
15 illegal lottery, the Games violate California Penal Code §337j as unlicensed  
16 controlled games. California Penal Code § 337j(a) provides:

17 (a) It is unlawful for any person, as owner, lessee,  
18 or employee, whether for hire or not, either solely or  
19 in conjunction with others, to do any of the following  
20 without having first procured and thereafter  
21 maintained in effect all federal, state, and local  
22 licenses required by law:

23 (1) To deal, operate, carry on, conduct, maintain, or  
24 expose for play in this state any controlled game.

25 (2) To receive, directly or indirectly, any  
26 compensation or reward or any percentage or share  
27  
28

1 of the revenue, for keeping, running, or carrying on  
2 any controlled game.

3 (3) To manufacture, distribute, or repair any  
4 gambling equipment within the boundaries of this  
5 state, or to receive, directly or indirectly, any  
6 compensation or reward for the manufacture,  
7 distribution, or repair of any gambling equipment  
8 within the boundaries of this state.

9 168. On information and belief, ZGG has not procured and thereafter  
10 maintained in effect all federal, state, and local licenses required by law to  
11 operate a controlled game.

12 169. ZGG operates, carries on, conducts, maintains and exposes for  
13 play in California a controlled game through the Games. ZGG receives,  
14 directly or indirectly, compensation or reward of the revenue for keeping,  
15 running and carrying on the Games. ZGG manufactures, distributes and  
16 repairs the Games within the boundaries of California.

17 170. California Penal Code §337j(e)(1) states that “[a]s used in this  
18 section, ‘controlled game’ means any poker or Pai Gow game, and any  
19 other game played with cards or tiles, or both, and approved by the  
20 Department of Justice, and **any game of chance, including any**  
21 **gambling device, played for currency, check, credit, or any other thing**  
22 **of value that is not prohibited and made unlawful by statute or local**  
23 **ordinance.”** *Id.* (emphasis added).

24 171. To the extent the Games operating on mobile devices are not  
25 illegal under California’s Penal Code (including §330b and §319), the  
26 Games are a controlled game under §337j(e)(1), because they are a game  
27  
28

1 of chance played for credit or a thing of value not prohibited and made  
2 unlawful by statute of local ordinance.

3 172. The virtual coins in the Games are a credit to continue playing  
4 the Games' slot machines. The virtual coins in the Games are also a thing  
5 of value as held in *Kater*.

6 173. Certain courts have found that in-game purchases in free-to-  
7 play mobile games that sell "loot boxes" are not things of value under  
8 California law, because the loot boxes and the virtual items they contain  
9 merely enhance gameplay and have no value outside of the game itself.  
10 See, e.g. *Soto v. Sky Union, LLC*, 159 F.Supp.3d 871 (N.D.Ill. 2016); *Mai v.*  
11 *Supercell OY*, Case No. 20-cv-05573-EJD, Doc. 62 (N.D.Cal. Jan. 3,  
12 2023); *Coffee v. Google LLC*, No. 20-cv-03901, 2022 WL 94986, at \*9  
13 (N.D. Cal. Jan. 10, 2022); *Taylor v. Apple, Inc.*, No. 20-cv-03906-RS, 2022  
14 WL 35601, at \*2 (N.D. Cal. Jan. 4, 2022). In these cases, the courts found  
15 the virtual items in the loot boxes were not things of value, because they  
16 were not used to extend gameplay, but rather were mere enhancements to  
17 games, where the games themselves were truly free to play.

18 174. The virtual coins at issue here in the Games are distinguishable  
19 from those cases, because the virtual coins in these Games are used, and  
20 at times are necessary, for players to extend their gameplay. In *Soto*, *Mai*,  
21 *Coffee* and *Taylor*, the underlying gameplay was playable without any  
22 purchase. The purchases at issue were for randomized packs of virtual  
23 goods (loot boxes) that were not used to extend gameplay, but merely  
24 provided virtual items that enhanced that gameplay. Further, those games  
25 were ones of skill with the purported game of chance being a secondary  
26 feature.  
27

28 175. In contrast, the Games here have a primary gameplay

1 mechanic that is itself a game of chance - slot machines. The purchase of  
2 virtual coins is used to extend that gameplay, not merely to enhance it. For  
3 these reasons, the Ninth Circuit *Kater* decision is more applicable than the  
4 District Court decisions in *Soto*, *Mai*, *Coffee* and *Taylor*. Therefore, the  
5 virtual coins here are things of value and provide an additional chance to  
6 play the Games' slot machines.

7 176. For these same reasons, the Games violate other California  
8 gambling laws as set forth below.

9 177. In addition to being used to extend gameplay, the coins in the  
10 Games are tokens and things of value under California law.

11 178. While the Games periodically provides free coins to users and  
12 Jackpot Master allows users to view ads to obtain coins, that does not  
13 render those coins valueless.

14 179. The offering of free coin rewards in the Games is only periodic  
15 and limited. Accordingly, these free coins do not allow players to play the  
16 Games' slot machines continuously for an unlimited amount of time.

17 180. Further, the requirement to view ads in Jackpot Master to  
18 obtain coins interrupts user's gameplay for 30 seconds or longer and only  
19 provides them a modest amount of chips. Users cannot play Jackpot  
20 Master's slot machines while the ad is running. The avoidance of that  
21 interruption, available only through the purchase of coins, is valuable. That  
22 value may be measured by the money paid by the advertisers. A further  
23 demonstration of that value is Jackpot Master's promotion of "no ads" in its  
24 Super Sale, as can be seen in paragraph 58.

25 181. The Games are advertised and distributed through the App  
26 Store and Play Store alongside other social casino games that do not  
27 violate California gambling laws. The Games are also advertised on AC's  
28

1 and ZGG's respective websites.

2 182. The Games' descriptions in these advertisements and  
3 storefronts do not disclose that they violate California's or other state's  
4 gambling laws. Plaintiffs and other consumers reasonably rely on this  
5 omission to believe that the Games offer legal services. This belief is a  
6 material factor in their decision to download and play the Games, as  
7 opposed to another social casino game that does comply with gambling  
8 laws.

9 183. The above representations are false and misleading. Jackpot  
10 Master does offer the opportunity to win a thing of value by playing their  
11 slot machines, namely virtual coins.

12 184. The May 2020 terms of service for Jackpot Master allowed  
13 children 13 or older to play. Ex. C at 1.

14 185. The May 2020 terms of service for Jackpot Master stated that  
15 the game is "the property of the Company and its licensors." Ex. C at 4.

16 **The Games Violate Arkansas Gambling Laws**

17 186. The Arkansas gambling statute provides that "(a) It is unlawful  
18 for a person to set up, keep, or exhibit any gaming table or gambling  
19 device, commonly called "A. B. C.", "E. O.", roulette, or rouge et noir, any  
20 faro bank, or any other gaming table or gambling device, or bank of the  
21 like or similar kind, or of any other description although not named in this  
22 section, regardless of the name or denomination, either: (1) Adapted,  
23 devised, or designed for the purpose of playing any game of chance; or (2)  
24 At which any money or property may be won or lost." Ark. Code § 5-66-  
25 104 (emphasis added).

26 187. The Games operating on mobile devices together with servers  
27 constitute gambling devices under Arkansas law, because they are  
28



1 devices adapted, devised and designed for the purposes of playing a  
2 game of chance, namely slot machines.

3 188. The virtual coins are also property that may be won or lost in  
4 the Games' slot machines. Arkansas law defines property to mean  
5 "severed real property or tangible or intangible personal property, including  
6 money or any paper or document that represents or embodies anything of  
7 value." Ark. Code. §5-36-101.

8 189. Arkansas law also prohibits keno games, providing that "[i]f a  
9 person sets up or exhibits, causes to be set up or exhibited, or aids or  
10 assists in setting up or exhibiting in the state any gaming device commonly  
11 known and designated as 'keno' or any similar device by any other name  
12 or without a name, upon conviction the person is guilty of a violation...."  
13 Ark. Code §5-66-110. The Games include keno games, including lottery  
14 games as described above.

15 190. Arkansas law also prohibits lotteries, providing that "[a]ny  
16 person who in this state, directly or indirectly, sets up, promotes, engages  
17 in, or in any manner participates in any plan, scheme, device, or other  
18 means..., either alone or in concert with any other person, firm, or  
19 corporation, either within or without the State of Arkansas, in which goods,  
20 property, or any other thing of value is sold to any person, firm, or  
21 corporation for any consideration, either cash or otherwise, and upon the  
22 further consideration that the purchaser agrees to obtain one (1) or more  
23 persons to participate in the plan, scheme, device, or other means by  
24 making a similar purchase and a similar agreement to secure one (1) or  
25 more other persons to participate in the plan, scheme, device, or other  
26 means in the same manner, each purchaser being given the right to obtain  
27 money, credits, goods, or some other thing of value, depending upon the  
28

1 number of persons joining in or participating in the plan, scheme, device,  
2 or other means, is declared to have set up, promoted, engaged in, or  
3 participated in a lottery, which is declared to be unlawful.” Ark. Code. §5-  
4 66-119.

5 191. ZGG sets up, promotes, engages in, and participates in the  
6 Games. Virtual coins in the Games are property or a thing of value. Virtual  
7 coins in the Games are sold to users for consideration. Users are offered  
8 further consideration to obtain other users to participate in the Games.  
9 Users are given the right to obtain virtual coins, which are credits or some  
10 other thing of value, depending upon the number of persons joining in or  
11 participating in the Games.

12 192. For example, users are given virtual coins in the Games to join  
13 a team, wherein the team further receives additional rewards in the form of  
14 virtual coins based, in part, on the amount of virtual coins team members  
15 wager in the Games and their participation in the Games’ various games  
16 of chance.

### 17 **The Games’ Advertisements Violate The Law**

18 193. ZGG’s advertising of virtual coins in the Games violates 16  
19 CFR §233.1(a) because the stricken deals displayed are not “actual, bona  
20 fide price at which the article was offered to the public on a regular basis for  
21 a reasonably substantial period of time.” Rather, the stricken coin values  
22 and dollar amounts in the Super Sale offers of the Games are “fictitious”  
23 and with “an artificial, inflated price” for the purpose of creating the false  
24 perception to the consumer “of a large reduction.” The false strikethrough  
25 ads promote a false bargain where “the purchaser is not receiving the  
26 unusual value he expects.”

27 194. These advertisements are also violative of Cal. Bus. & Prof.  
28

1 Code §17501, because the stricken coin values and dollar amounts were  
2 not “the prevailing market price ... within three months next immediately  
3 preceding the publication of the advertisement.” Nor do the Super Sale  
4 offers “clearly, exactly and conspicuously state[] in the advertisement”  
5 when such former prices were prevailing.

6 195. The effectiveness of ZGG’s deceitful advertising scheme is  
7 supported by longstanding scholarly research. In the seminal article entitled  
8 *Comparative Price Advertising: Informative or Deceptive?* (cited in *Hinojos*  
9 *v. Kohl’s Corp.*, 718 F.3d 1098, 1106 (9th Cir. 2013), Professors Dhruv  
10 Grewal and Larry D. Compeau write that, “[b]y creating an impression of  
11 savings, the presence of a higher reference price enhances subjects’  
12 perceived value and willingness to buy the product.” Dhruv Grewal & Larry  
13 D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*, 11  
14 J. Pub. Pol’y & Mktg. 52, 55 (Spring 1992). Thus, “empirical studies  
15 indicate that, as discount size increases, consumers’ perceptions of value  
16 and their willingness to buy the product increase, while their intention to  
17 search for a lower price decreases.” *Id.* at 56 (emphasis added). For this  
18 reason, the Ninth Circuit in *Hinojos* held that a plaintiff making a claim of  
19 deceptive pricing (strikingly similar to the claim at issue here) had standing  
20 to pursue his claim against the defendant retailer. In doing so, the Court  
21 observed that “[m]isinformation about a product’s ‘normal’ price is . . .  
22 significant to many consumers in the same way as a false product label  
23 would be.” *Hinojos*, 718 F.3d at 1106.

24 196. Professors Compeau and Grewal reached similar conclusions  
25 in a 2002 article: “decades of research support the conclusion that  
26 advertised reference prices do indeed enhance consumers’ perceptions of  
27 the value of the deal.” Dhruv Grewal & Larry D. Compeau, *Comparative*  
28

1 *Price Advertising: Believe It Or Not*, J. of Consumer Affairs, Vol. 36, No. 2,  
2 at 287 (Winter 2002). The professors also found that “[c]onsumers are  
3 influenced by comparison prices even when the stated reference prices are  
4 implausibly high.” *Id.* (emphasis added).

5 197. In another scholarly publication, Professors Joan Lindsey-  
6 Mullikin and Ross D. Petty concluded that “[r]eference price ads strongly  
7 influence consumer perceptions of value . . . . Consumers often make  
8 purchases not based on price but because a retailer assures them that a  
9 deal is a good bargain. This occurs when . . . the retailer highlights the  
10 relative savings compared with the prices of competitors . . . [T]hese  
11 bargain assurances (BAs) change consumers’ purchasing behavior and  
12 may deceive consumers.” Joan Lindsey-Mullikin & Ross D. Petty,  
13 *Marketing Tactics Discouraging Price Search: Deception and Competition*,  
14 64 J. of Bus. Research 67 (January 2011).

15 198. Similarly, according to Professors Praveen K. Kopalle and Joan  
16 Lindsey-Mullikin, “research has shown that retailer-supplied reference  
17 prices clearly enhance buyers’ perceptions of value” and “have a significant  
18 impact on consumer purchasing decisions.” Praveen K. Kopalle & Joan  
19 Lindsey-Mullikin, *The Impact of External Reference Price On Consumer*  
20 *Price Expectations*, 79 J. of Retailing 225 (2003).

21 199. The results of a 1990 study by Professors Jerry B. Gotlieb and  
22 Cyndy Thomas Fitzgerald, came to the conclusion that “reference prices  
23 are important cues consumers use when making the decision concerning  
24 how much they are willing to pay for the product.” Jerry B. Gotlieb & Cyndy  
25 Thomas Fitzgerald, *An Investigation Into the Effects of Advertised*  
26 *Reference Prices On the Price Consumers Are Willing To Pay For the*  
27 *Product*, 6 J. of App’d Bus. Res. 1 (1990). This study also concluded that  
28

1 “consumers are likely to be misled into a willingness to pay a higher price  
2 for a product simply because the product has a higher reference price.” *Id.*

3 200. The unmistakable inference to be drawn from this research and  
4 the Ninth Circuit’s opinion in *Hinojos* is that the deceptive advertising  
5 through the use of false reference pricing employed here by ZGG is  
6 intended to, and does in fact, influence customer behavior—as it did  
7 Plaintiffs’ purchasing decisions here—by artificially inflating customer  
8 perceptions of a given item’s value and causing customers to spend money  
9 they otherwise would not have, purchase items they otherwise would not  
10 have, and/or spend more money than they otherwise would have absent  
11 the deceptive advertising.

12 201. On information and belief, the Games and the false advertising  
13 presented to new users are designed to trap players in what is referred to  
14 in academia as a “compulsion loop.” A compulsion loop is defined as  
15 habitual behavior that a human will repeat to gain a neurochemical reward:  
16 a feeling of pleasure and/or a relief from pain. Not doing the behavior  
17 causes discomfort. *Compulsion Loops: Compulsive Behavior As Mass*  
18 *Media* by Adam Crowe and Richard Buchanon (available at  
19 <https://www.slideshare.net/adamcrowe/compulsion-loops#btnNext>).  
20

21 202. On information and belief, mobile games such as Cash  
22 Tornado and Jackpot Master maximize their profits by inducing players to  
23 enter into a compulsion loop. The Games here engage in misleading value  
24 and price comparison advertising to induce players into entering a  
25 compulsion loop of spending early in their interaction with the Games.

26 203. On information and belief, once games such as Cash Tornado  
27 and Jackpot Master are successful at deceiving users into believing they  
28 are receiving outsized values, those users are more likely to continue



1 maintaining that belief despite evidence to the contrary. Man-Pui Sally  
2 Chan, et al, *Debunking: A Meta-Analysis of the Psychological Efficacy of*  
3 *Messages Countering Misinformation*, 28 Psychol. Sci. 1531, 1531 (2017),  
4 <https://cite.law/U5QS-2NF4> (meta-analysis focusing on “false beliefs ...  
5 [that] occur when the audience initially believes misinformation and that  
6 misinformation persists or continues to exert psychological influence after it  
7 has been rebutted”).

8         204. Another cognitive bias exploited by the Games is known as  
9 “sunk cost” bias. Sunk cost bias describes a decision-making heuristic  
10 where an individual escalates his or her commitment to a previously  
11 chosen, but unsuccessful course of action to justify the prior “investments”  
12 in purchasing coins. Thus, but inducing players into making purchases in  
13 the Games through deceptive advertisements, ZGG creates a higher  
14 likelihood that those players will be committed to the Games and continue  
15 spending money in the Games.

16         205. A phenomenon known as “chasing” (continuing to gamble to  
17 recoup losses) is “one of the central characteristics of pathological  
18 gamblers.” Chasing is “widely regarded as a defining feature in disordered  
19 gambling,” is “the most commonly endorsed item in screening tools for  
20 disordered gambling,” and its presence “establishes and maintains a  
21 downward spiral of negative consequences for the gambler’s finances,  
22 relationships, and mental well-being.” Ke Zhang and Luke Clark, *Loss-*  
23 *chasing in gambling behaviour: neurocognitive and behavioural economic*  
24 *perspectives*, Current Opinion in Behavioral Sciences, 31:1-7 (Feb. 2020).  
25 Therefore, by inducing players into making early purchases in the Games  
26 through misleading sale advertisements, the Games increase impact of  
27 their gambling mechanics to push players into an addictive “chasing”  
28

phenomenon.

206. Further, by creating a false sense of urgency in their Super Sale offers, the Games increase the likelihood that players will make an impulse purchase.

### **ZGG's Conduct Is Ongoing**

207. ZGG has not materially changed the operation of the illegal games of chance and Super Sale offers in the Games since the filing of this lawsuit.

208. Since the filing of this lawsuit, ZGG has continued and expanded its violations of gambling and false advertising laws at the expense of consumers. Approximately three months ago, ZGG launched a new mobile casino game called Jackpot Friends Slots Casino. Jackpot Friends includes the same illegal gambling and false advertising as the Games, including misleading Super Sale Offers.

209. Jackpot Friends provides slot machines similar to those of the Games:



210. Jackpot Friends also uses virtual coins that are wagered in games of chance. Users must bet a minimum amount of virtual coins (see bottom right of above screenshot) to play the slot machines. The virtual coins are won or lost in the slot machines based on chance.

211. When users run out of virtual coins, they are presented with multiple offers for purchasing virtual coins, including Super Sale Offers that include false former prices and misleading countdown timers:



212. Users can be prohibited from playing the slot machines for several hours if they do not purchase additional virtual coins. Accordingly, the winning of virtual coins extends user's gameplay and the virtual coins are things of value, credits and tokens.

213. The Super Sale Offers in Jackpot Friends are misleading in substantially similar ways as Jackpot Master and Cash Tornado. They include a countdown timer. The timer shown above has fifty-one seconds remaining. A trivial amount of time after the countdown timer expires (minutes or less), a better Super Sale Offer presented:



214. Immediately after the expiration of the four minutes and fifteen seconds shown in the Super Sale Offer above, Jackpot Friends shows the same Super Sale Offer again with a new misleading countdown timer. The screenshot below was taken from Jackpot Friends on the same device five minutes after the above screen shot:



215. Similar to the Super Sale offers in the Games, the Super Sale offers in Jackpot Friends misleads users as to the ordinary and prevailing price for virtual coins and further misleads users as to the duration and scarcity of Super Sale offers. Super Sale offers are unavailable for only trivial periods of time in Jackpot Friends.

216. ZGG's introduction of a new game with these same misleading and illegal features together with its continuing use of these same misleading and illegal features in the Games demonstrates that absent public injunctive relief, ZGG will continue to expose the public to these types of illegal, unfair and fraudulent business practices. Plaintiffs, members of the class and the general public continue to use their mobile devices to explore new applications and therefore have an ongoing interest in ZGG discontinuing its illegal, unfair and fraudulent business practices.

#### **APPLICABLE LAW**

217. Ms. Ochoa is a citizen and resident of Los Angeles County,



1 California. She downloaded and played Jackpot Master in Los Angeles  
2 County. She made purchases from Jackpot Master in Los Angeles County.  
3 Her purchases were processed by Apple, an entity headquartered in  
4 California.

5 218. Ms. Brown made purchases from Cash Tornado through Apple,  
6 an entity headquartered in California.

7 219. On information and belief, Defendants have their principal place  
8 of business in California.

9 220. California's substantive laws may be constitutionally applied to  
10 the claims of Plaintiffs under the Due Process Clause, 14<sup>th</sup> Amend. §1, and  
11 the Full Faith and Credit Clause, Art. IV §1 of the U.S. Constitution.

12 California has significant contacts, or significant aggregation of contacts, to  
13 the claims asserted by Plaintiffs, thereby creating state interests that  
14 ensure that the choice of California state law is not arbitrary or unfair.

15 221. The application of California laws is also appropriate under  
16 California's choice of law rules because California has significant contacts  
17 to the claims of Plaintiffs, and California has a greater interest in applying  
18 its laws here than any other interested state.

19 222. On information and belief, Defendant voluntarily subjects itself  
20 to the application of California law.

21 223. California law may be used on a class-wide basis, because the  
22 interests of other states do not outweigh California's interest in having its  
23 law applied.

24 224. California has a unique interest in having its laws apply to this  
25 case, including to non-residents. Defendant is headquartered in California.  
26 The Games are advertised and distributed primarily through the Apple and  
27 Google mobile stores. These mobile stores are owned and operated by  
28



1 Apple and Google, respectively, both companies having headquarters in  
2 California. The Games are also advertised on Facebook, also a company  
3 headquartered in California.

4 225. On information and belief, in distributing its games through the  
5 Apple and Google stores, ZGG entered into developer agreements with  
6 Apple and Google governing the development and distribution of the  
7 Game. Those agreements, which ZGG entered into for the purpose of  
8 distributing the Games in the United States apply California law.

9 226. Consumers execute their transaction for the in-game chips in  
10 the Game with Apple and Google payment systems.

11 227. Plaintiffs and other consumers enter into end user agreements  
12 with Apple and Google, which require the application of California law.

13 228. To the extent Ms. Brown lacks standing to bring claims under  
14 California law, Ms. Brown brings claims under Arkansas law as set forth  
15 below. Arkansas' common law may be applied on a class-wide basis,  
16 because there are no material differences between Arkansas common law  
17 and other state's common law that are relevant to establishing the causes  
18 of action alleged herein.

### 19 **CLASS ALLEGATIONS**

20 229. Plaintiffs bring this action on behalf of themselves and all  
21 persons similarly situated pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4)  
22 of the Federal Rules of Civil Procedure and seeks certification of the  
23 following class:

24 All individuals located within the United States who, during  
25 the applicable limitations period, made a purchase of virtual  
26 gold in Jackpot Master or Cash Tornado using real-world  
27 currency.  
28

1        230. The above-described class of persons shall hereafter be  
2 referred to as the “Class.” The following people are excluded from the  
3 Class: (1) any Judge or Magistrate Judge presiding over this action and  
4 members of their families; (2) Defendant, Defendants’ subsidiaries,  
5 parents, successors, predecessors, and any entity in which the Defendants  
6 or their parents have a controlling interest and their current or former  
7 employees, officers and directors; (3) persons who properly execute and  
8 file a timely request for exclusion from the Class; (4) persons whose claims  
9 in this matter have been finally adjudicated on the merits or otherwise  
10 released; (5) Plaintiff’s counsel and Defendants’ counsel; and (6) the legal  
11 representatives, successors, and assigns of any such excluded persons.

12        231. In the alternative, Ms. Ochoa seeks certification of the following  
13 class pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal Rules  
14 of Civil Procedure:

15            All individuals located within the United States who, during  
16            the applicable limitations period, made a purchase of virtual  
17            gold in Jackpot Master using real-world currency.

18        232. The above-described class of persons shall hereafter be  
19 referred to as the “Jackpot Master Sub-Class.” The following people are  
20 excluded from the Jackpot Master Sub-Class: (1) any Judge or Magistrate  
21 Judge presiding over this action and members of their families; (2)  
22 Defendant, Defendants’ subsidiaries, parents, successors, predecessors,  
23 and any entity in which the Defendants or their parents have a controlling  
24 interest and their current or former employees, officers and directors; (3)  
25 persons who properly execute and file a timely request for exclusion from  
26 the Class; (4) persons whose claims in this matter have been finally  
27 adjudicated on the merits or otherwise released; (5) Plaintiff’s counsel and  
28

1 Defendants' counsel; and (6) the legal representatives, successors, and  
2 assigns of any such excluded persons.

3 233. In the alternative, Ms. Ochoa seeks certification of the following  
4 class pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal Rules  
5 of Civil Procedure:

6 All individuals located within the State of California who,  
7 during the applicable limitations period, made a purchase of  
8 virtual gold in Jackpot Master using real-world currency.

9 234. The above-described class of persons shall hereafter be  
10 referred to as the "Jackpot Master California Sub-Class." The following  
11 people are excluded from the Jackpot Master California Sub-Class: (1) any  
12 Judge or Magistrate Judge presiding over this action and members of their  
13 families; (2) Defendant, Defendants' subsidiaries, parents, successors,  
14 predecessors, and any entity in which the Defendants or their parents have  
15 a controlling interest and their current or former employees, officers and  
16 directors; (3) persons who properly execute and file a timely request for  
17 exclusion from the Class; (4) persons whose claims in this matter have  
18 been finally adjudicated on the merits or otherwise released; (5) Plaintiff's  
19 counsel and Defendants' counsel; and (6) the legal representatives,  
20 successors, and assigns of any such excluded persons.

21 235. In the alternative, Ms. Brown seeks certification of the following  
22 pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal Rules of  
23 Civil Procedure:

24 All individuals located within the United States who, during the  
25 applicable limitations period, made a purchase of virtual gold in  
26 Cash Tornado using real-world currency.  
27  
28

1        236. The above-described class of persons shall hereafter be  
2 referred to as the “Cash Tornado Sub-Class.” The following people are  
3 excluded from the Cash Tornado Sub-Class: (1) any Judge or Magistrate  
4 Judge presiding over this action and members of their families; (2)  
5 Defendant, Defendants’ subsidiaries, parents, successors, predecessors,  
6 and any entity in which the Defendants or their parents have a controlling  
7 interest and their current or former employees, officers and directors; (3)  
8 persons who properly execute and file a timely request for exclusion from  
9 the Class; (4) persons whose claims in this matter have been finally  
10 adjudicated on the merits or otherwise released; (5) Plaintiff’s counsel and  
11 Defendants’ counsel; and (6) the legal representatives, successors, and  
12 assigns of any such excluded persons.

13        237. In the alternative, Ms. Brown seeks certification of the following  
14 pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal Rules of  
15 Civil Procedure:

16            All individuals located within the State of Arkansas who, during the  
17 applicable limitations period, made a purchase of virtual gold in  
18 Cash Tornado using real-world currency.

19        238. The above-described class of persons shall hereafter be  
20 referred to as the “Cash Tornado Arkansas Sub-Class.” The following  
21 people are excluded from the Arkansas Sub-Class: (1) any Judge or  
22 Magistrate Judge presiding over this action and members of their families;  
23 (2) Defendant, Defendants’ subsidiaries, parents, successors,  
24 predecessors, and any entity in which the Defendants or their parents have  
25 a controlling interest and their current or former employees, officers and  
26 directors; (3) persons who properly execute and file a timely request for  
27 exclusion from the Class; (4) persons whose claims in this matter have  
28

1 been finally adjudicated on the merits or otherwise released; (5) Plaintiff's  
2 counsel and Defendants' counsel; and (6) the legal representatives,  
3 successors, and assigns of any such excluded persons.

4 239. In the alternative, Plaintiffs seek certification of the following  
5 sub-class pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal  
6 Rules of Civil Procedure:

7 All individuals located within the United States who, during the  
8 applicable limitations period, made a purchase of virtual gold  
9 through a Super Sale offer in Jackpot Master or Cash Tornado  
10 using real-world currency.

11 240. The above-described class of persons shall hereafter be  
12 referred to as the "Super Sale National Sub-Class." The following people  
13 are excluded from the Super Sale National Sub-Class: (1) any Judge or  
14 Magistrate Judge presiding over this action and members of their families;  
15 (2) Defendant, Defendants' subsidiaries, parents, successors,  
16 predecessors, and any entity in which the Defendants or their parents have  
17 a controlling interest and their current or former employees, officers and  
18 directors; (3) persons who properly execute and file a timely request for  
19 exclusion from the Class; (4) persons whose claims in this matter have  
20 been finally adjudicated on the merits or otherwise released; (5) Plaintiff's  
21 counsel and Defendants' counsel; and (6) the legal representatives,  
22 successors, and assigns of any such excluded persons.

23 241. In the alternative, Ms. Ochoa seeks certification of the following  
24 sub-class pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal  
25 Rules of Civil Procedure:

26 All individuals located within the United States who, during the  
27 applicable limitations period, made a purchase of virtual gold  
28

1 through a Super Sale offer in Jackpot Master using real-world  
2 currency.

3 242. The above-described class of persons shall hereafter be  
4 referred to as the "Super Sale Jackpot Master Subclass." The following  
5 people are excluded from the Super Sale Jackpot Master Subclass: (1) any  
6 Judge or Magistrate Judge presiding over this action and members of their  
7 families; (2) Defendant, Defendants' subsidiaries, parents, successors,  
8 predecessors, and any entity in which the Defendants or their parents have  
9 a controlling interest and their current or former employees, officers and  
10 directors; (3) persons who properly execute and file a timely request for  
11 exclusion from the Class; (4) persons whose claims in this matter have  
12 been finally adjudicated on the merits or otherwise released; (5) Plaintiff's  
13 counsel and Defendants' counsel; and (6) the legal representatives,  
14 successors, and assigns of any such excluded persons.

15 243. In the alternative, Ms. Ochoa seeks certification of the following  
16 sub-class pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal  
17 Rules of Civil Procedure:

18 All individuals located within the State of California who, during the  
19 applicable limitations period, made a purchase of virtual gold  
20 through a Super Sale offer in Jackpot Master using real-world  
21 currency.  
22

23 244. The above-described class of persons shall hereafter be  
24 referred to as the "Super Sale Jackpot Master California Subclass." The  
25 following people are excluded from the Super Sale Jackpot Master  
26 Subclass: (1) any Judge or Magistrate Judge presiding over this action and  
27 members of their families; (2) Defendant, Defendants' subsidiaries,  
28 parents, successors, predecessors, and any entity in which the Defendants



1 or their parents have a controlling interest and their current or former  
2 employees, officers and directors; (3) persons who properly execute and  
3 file a timely request for exclusion from the Class; (4) persons whose claims  
4 in this matter have been finally adjudicated on the merits or otherwise  
5 released; (5) Plaintiff's counsel and Defendants' counsel; and (6) the legal  
6 representatives, successors, and assigns of any such excluded persons.

7 245. In the alternative, Ms. Brown seeks certification of the following  
8 sub-class pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal  
9 Rules of Civil Procedure:

10 All individuals located within the United States who, during the  
11 applicable limitations period, made a purchase of virtual gold  
12 through a Super Sale offer in Cash Tornado using real-world  
13 currency.

14 246. The above-described class of persons shall hereafter be  
15 referred to as the "Super Sale Cash Tornado Subclass." The following  
16 people are excluded from the Super Sale Arkansas Class: (1) any Judge or  
17 Magistrate Judge presiding over this action and members of their families;  
18 (2) Defendant, Defendants' subsidiaries, parents, successors,  
19 predecessors, and any entity in which the Defendants or their parents have  
20 a controlling interest and their current or former employees, officers and  
21 directors; (3) persons who properly execute and file a timely request for  
22 exclusion from the Class; (4) persons whose claims in this matter have  
23 been finally adjudicated on the merits or otherwise released; (5) Plaintiff's  
24 counsel and Defendants' counsel; and (6) the legal representatives,  
25 successors, and assigns of any such excluded persons.  
26  
27  
28

1        247. In the alternative, Ms. Brown seeks certification of the following  
2 sub-class pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal  
3 Rules of Civil Procedure:

4            All individuals located within the State of Arkansas who, during the  
5 applicable limitations period, made a purchase of virtual gold  
6 through a Super Sale offer in Cash Tornado using real-world  
7 currency.

8        248. The above-described class of persons shall hereafter be  
9 referred to as the “Super Sale Cash Tornado Arkansas Subclass.” The  
10 following people are excluded from the Super Sale Cash Tornado Arkansas  
11 Subclass: (1) any Judge or Magistrate Judge presiding over this action and  
12 members of their families; (2) Defendant, Defendants’ subsidiaries,  
13 parents, successors, predecessors, and any entity in which the Defendants  
14 or their parents have a controlling interest and their current or former  
15 employees, officers and directors; (3) persons who properly execute and  
16 file a timely request for exclusion from the Class; (4) persons whose claims  
17 in this matter have been finally adjudicated on the merits or otherwise  
18 released; (5) Plaintiff’s counsel and Defendants’ counsel; and (6) the legal  
19 representatives, successors, and assigns of any such excluded persons.  
20

21        249. The Class and Sub-Classes set forth above are collectively  
22 referred to herein as “Classes.” Plaintiffs reserve the right to expand, limit,  
23 modify, or amend the class definitions stated above, including the addition  
24 of one or more subclasses, in connection with a motion for class  
25 certification, or at any other time, based upon, among other things,  
26 changing circumstances, or new facts obtained during discovery.

27        250. This case is appropriate for class treatment because Plaintiffs  
28 can prove the elements of her claims on a class-wide basis using the same

1 evidence as would be used to prove those elements in individual actions  
2 alleging the same claims.

3       **251. Adequacy.** Plaintiffs will fairly and adequately represent and  
4 protect the interests of the other members of the Classes. Plaintiffs have  
5 retained counsel with substantial experience in prosecuting complex  
6 litigation and class actions. Plaintiffs and their counsel are committed to  
7 vigorously prosecuting this action on behalf of the other members of the  
8 Classes, and have the financial resources to do so. Neither Plaintiffs nor  
9 their counsel have any interest adverse to those of the other members of  
10 the Classes.

11       **252. Numerosity.** The members of the Classes are so numerous  
12 that joinder of all members would be unfeasible and not practicable. The  
13 membership of the Classes is unknown to Plaintiffs at this time; however, it  
14 is estimated the Classes number in the hundreds, if not thousands. The  
15 identity of such membership is readily ascertainable via inspection of  
16 Defendant's or third-party books and records or other approved methods.  
17 Similarly, Members of the Classes may be notified of the pendency of this  
18 action by mail, email, internet postings, social media, publications and/or in-  
19 game messaging.

20       **253. Common Questions of Law or Fact:** There are common  
21 questions of law and fact as to Plaintiffs and all other similarly situated  
22 persons, which predominate over questions affecting only individual class  
23 members, including, without limitation:

24       a. Whether ZGG designed, advertised, marketed, distributed,  
25 sold, or otherwise placed Jackpot Master Slots and Cash Tornado into the  
26 stream of commerce in the United States and California;  
27  
28

1 b. Whether the operation and presentation of Super Sale Offers  
2 was the same or substantially similar for all users of the Games;

3 c. Whether the Super Sale offers in the Games are false or  
4 misleading to a reasonable consumer;

5 d. Whether a reasonably consumer would reasonably rely on the  
6 false representations in Super Sale offers in the Games;

7 e. Whether the false representations in Super Sale offers

8 f. Whether ZGG's conduct emanated from State of California;

9 g. Whether the Games' presentation of stricken values in its  
10 advertising of in-game purchases are misleading to a reasonable  
11 consumer;

12 h. Whether the Games' presentation of purported limited time  
13 sales for in-game purchases are misleading to a reasonable consumer;

14 i. Whether Plaintiffs and members of the Classes were injured  
15 and harmed directly by the Games;

16 j. Whether Plaintiffs and members of the Classes were injured  
17 and harmed directly by the Games' false advertising;

18 k. Whether Plaintiffs and members of the Classes are entitled to  
19 damages due to Defendants' conduct as alleged in this Complaint, and if  
20 so, in what amounts;

21 l. Whether the Games violate the gambling laws of California,  
22 Arkansas or other states.

23 m. Whether Plaintiffs and members of the Classes are entitled to  
24 equitable relief, including, but not limited to, restitution or injunctive relief as  
25 requested in this Complaint.  
26

27 254. **Typicality:** Plaintiffs' claims are typical of the claims of the  
28 other members of the Classes because, among other things, Plaintiffs and

1 all members of the Classes were comparably injured through Defendants'  
2 misconduct described above. As alleged herein, Plaintiffs, like the  
3 members of the Classes, made purchases they would not have otherwise  
4 made and were deprived of monies that rightfully belonged to them by  
5 Defendants. Further, there are no defenses available to Defendants that  
6 are unique to Plaintiffs.

7       255. **Superiority:** The nature of this action and the laws available to  
8 Plaintiffs and members of the Classes make the class action format a  
9 particularly efficient and appropriate procedure to redress the violations  
10 alleged herein. If each class member were required to file an individual  
11 lawsuit, Defendants would necessarily gain an unconscionable advantage  
12 since it would be able to exploit and overwhelm the limited resources of  
13 each individual plaintiff with its vastly superior financial and legal resources.  
14 Moreover, the prosecution of separate actions by the individual class  
15 members, even if possible, would create a substantial risk of inconsistent or  
16 varying verdicts or adjudications with respect to the individual class  
17 members against Defendants, and which would establish potentially  
18 incompatible standards of conduct for Defendant and/or legal  
19 determinations with respect to individual class members which would, as a  
20 practical matter, be dispositive of the interest of the other class members  
21 not parties to adjudications or which would substantially impair or impede  
22 the ability of the class members to protect their interests. Further, the  
23 claims of the individual members of the Classes are not sufficiently large to  
24 warrant vigorous individual prosecution considering all of the concomitant  
25 costs and expenses attending thereto.  
26  
27  
28

**FIRST CLAIM FOR RELIEF**

**Violation of California's Unfair Competition Law ("UCL")  
Cal. Bus. & Profession Code §17200 *et seq.***

**Ms. Ochoa - Unlawful, Unfair and Fraudulent Advertising**

256. Plaintiffs incorporate by reference all allegations in this Complaint and restates them as if fully set forth herein.

257. Ms. Ochoa brings this claim for relief on behalf of herself and all Classes.

258. The UCL defines unfair business competition to include any "unlawful, unfair or fraudulent" act or practice, as well as any "unfair, deceptive, untrue or misleading" advertising. Cal. Bus. & Prof. Code §17200.

259. A business act or practice is "unlawful" under the UCL if it violates any other law or regulation.

260. A business act or practice is "unfair" under the UCL if the reasons, justifications, and motives of the alleged wrongdoer are outweighed by the gravity of the harm to the alleged victims. A business act or practice is "fraudulent" under the UCL if it is likely to deceive members of the consuming public.

261. ZGG has violated the "unlawful" prong under the UCL and has engaged in "unfair, deceptive, untrue or misleading" advertising.

262. The Federal Trade Commission Act prohibits "unfair or deceptive acts or practices in or affecting commerce" (15 U.S.C. §45(a)(1)) and specifically prohibits false advertisements. 15 U.S.C. §52(a). FTC Regulations describe false former pricing schemes-similar to those used in the Games' Super Sale offers in all material respects-as deceptive practices that would violate the FTC Act.

263. 16 C.F.R. §233.1 states:



1 (a) One of the most commonly used forms of bargain  
2 advertising is to offer a reduction from the advertiser's  
3 own former price for an article. If the former price is  
4 the actual, bona fide price at which the article was  
5 offered to the public on a regular basis for a  
6 reasonably substantial period of time, it provides a  
7 legitimate basis for the advertising of a price  
8 comparison. Where the former price is genuine, the  
9 bargain being advertised is a true one. If, on the other  
10 hand, the former price being advertised is not bona  
11 fide but fictitious - for example, where an artificial,  
inflated price was established for the purpose of  
enabling the subsequent offer of a large reduction -  
the "bargain" being advertised is a false one; the  
purchaser is not receiving the unusual value he  
expects. In such a case, the "reduced" price is, in  
reality, probably just the seller's regular price.

12 (b) A former price is not necessarily fictitious merely  
13 because no sales at the advertised price were made.  
14 The advertiser should be especially careful, however,  
15 in such a case, that the price is one at which the  
16 product was openly and actively offered for sale, for a  
17 reasonably substantial period of time, in the recent,  
18 regular course of his business, honestly and in good  
19 faith - and, of course, not for the purpose of  
20 establishing a fictitious higher price on which a  
deceptive comparison might be based. And the  
advertiser should scrupulously avoid any implication  
that a former price is a selling, not an asking price (for  
example, by use of such language as, "Formerly sold  
at \$\_\_\_\_"), unless substantial sales at that price were  
actually made.

21 (c) The following is an example of a price comparison  
22 based on a fictitious former price. John Doe is a  
23 retailer of Brand X fountain pens, which cost him \$5  
24 each. His usual markup is 50 percent over cost; that  
25 is, his regular retail price is \$7.50. In order  
26 subsequently to offer an unusual "bargain", Doe  
27 begins offering Brand X at \$10 per pen. He realizes  
28 that he will be able to sell no, or very few, pens at this  
inflated price. But he doesn't care, for he maintains  
that price for only a few days. Then he "cuts" the price  
to its usual level - \$7.50 - and advertises: "Terrific  
Bargain: X Pens, Were \$10, Now Only \$7.50!" This is

1 obviously a false claim. The advertised “bargain” is  
2 not genuine.

3 (d) Other illustrations of fictitious price comparisons could  
4 be given. An advertiser might use a price at which he  
5 never offered the article at all; he might feature a  
6 price which was not used in the regular course of  
7 business, or which was not used in the recent past  
8 but at some remote period in the past, without making  
disclosure of that fact; he might use a price that was  
not openly offered to the public, or that was not  
maintained for a reasonable length of time, but was  
immediately reduced.

9 (e) If the former price is set forth in the advertisement,  
10 whether accompanied or not by descriptive  
11 terminology such as “Regularly,” “Usually,”  
12 “Formerly,” etc., the advertiser should make certain  
13 that the former price is not a fictitious one. If the  
14 former price, or the amount or percentage of  
15 reduction, is not stated in the advertisement, as when  
16 the ad merely states, “Sale,” the advertiser must take  
17 care that the amount of reduction is not so  
18 insignificant as to be meaningless. It should be  
19 sufficiently large that the consumer, if he knew what it  
was, would believe that a genuine bargain or saving  
was being offered. An advertiser who claims that an  
item has been “Reduced to \$9.99,” when the former  
price was \$10, is misleading the consumer, who will  
understand the claim to mean that a much greater,  
and not merely nominal, reduction was being offered.

20 264. California law also prohibits false former pricing  
21 schemes. Cal. Bus. Code. §17501 entitled “Value  
22 determinations; Former price advertisements,” states:

23 For the purpose of this article the worth or value of  
24 anything advertised is the prevailing market price,  
25 wholesale if the offer is at wholesale, retail if the offer is  
at retail, at the time of publication of such advertisement  
in the locality wherein the advertisement is published.

26 No price shall be advertised as a former price of any  
27 advertised thing, unless the alleged former price was the  
28 prevailing market price as above defined within three  
months next immediately preceding the publication of the

1 advertisement or unless the date when the alleged  
2 former price did prevail is clearly, exactly and  
conspicuously stated in the advertisement.

3 265. California's False Advertising Law also prohibits a business  
4 from "[a]dvertising goods or services with intent not to sell them as  
5 advertised," Cal. Civ. Code §1770(a)(9), and prohibits a business from  
6 "[m]aking false or misleading statements of fact concerning reasons for,  
7 existence of, or amounts of price reductions." *Id.* §(a)(13).

8 266. Jackpot Master's strikethrough graphics and comparative  
9 values, for example, in Super Sale offers, violate the unlawful prongs of the  
10 UCL, because they violate 16 C.F.R. §233.1, Cal. Bus. Prof. Code §1750,  
11 Cal. Civ. Code §§1770(a)(9) and (a)(13).

12 267. Defendant also violated the "unfair" prong of the UCL by falsely  
13 representing that its consumers received a discount from a referenced  
14 "original" former price show in its Super Sale offers. In fact, ZGG displayed  
15 to new users a fictitious stricken reference price for a quantity of virtual  
16 coins in Jackpot Master, where other users of Jackpot Master were being  
17 offered far better deals than the fictitious reference price.

18 268. Defendant also violated the "unfair" prong of the UCL by falsely  
19 representing to consumers that Super Sale offers were limited in time,  
20 when in fact such offers would be presented repeatedly and frequently.

21 269. The gravity of the harm to Ms. Ochoa and members of the  
22 Classes resulting from these unfair acts and practices outweighs any  
23 conceivable reasons, justifications, or motives that ZGG may have had for  
24 engaging in such deceptive acts and practices.

25 270. Additionally, ZGG violated the "fraudulent" prong of the UCL  
26 because its marketing and advertising materials included prices that  
27 reasonable consumers understood to represent original, ordinary,  
28

1 prevailing or normal prices for virtual coins in Jackpot Master, whereas  
2 those prices were fictitious and inflated as compared to the prevailing offers  
3 Jackpot Master made to other users.

4 271. Additionally, ZGG violated the “fraudulent” prong of the UCL  
5 because its Super Sale offers included countdown timers that reasonable  
6 consumers, including Ms. Ochoa, understood to mean that the offers would  
7 be available for only limited duration. In reality, the same or better Super  
8 Sale offers would be offered in Jackpot Master repeatedly and frequently.

9 272. Ms. Ochoa and members of the Classes suffered cognizable  
10 harm as a result of these unfair acts and practices. Ms. Ochoa and  
11 members of the Classes reasonably understood the strikethrough graphics  
12 in Jackpot Master described herein as communicating the ordinary, normal,  
13 prevailing former pricing or value for virtual coins in Jackpot Master. In  
14 reality, the stricken values were fictitious. Ms. Ochoa and members of the  
15 Classes reasonably relied on their understanding in their decision to make  
16 in-game purchases in Jackpot Master. But for ZGG’s misleading and false  
17 advertising and Ms. Ochoa’ and class members’ reasonable reliance  
18 thereon, Ms. Ochoa and members of the Classes would not have made  
19 some or all of their purchases in Jackpot Master.  
20

21 273. In addition, Ms. Ochoa and members of the Classes reasonably  
22 understood that Super Sale offers in Jackpot Master would be available for  
23 only a limited duration of time. In reality, Super Sale offers of the same or  
24 better value were offered repeatedly and frequently. Ms. Ochoa and  
25 members of the Classes reasonably relied on their understanding of the  
26 duration and urgency regarding Super Sale offers in their decision to make  
27 in-game purchases in Jackpot Master. But for ZGG’s misleading and false  
28 advertising and Ms. Ochoa’s and class members’ reasonable reliance

1 thereon, Ms. Ochoa and members of the Classes would not have made  
2 some or all of their purchases in Jackpot Master.

3 274. As a result of these violations under each of the fraudulent,  
4 unfair, and unlawful prongs of the UCL, ZGG has been unjustly enriched at  
5 the expense of Ms. Ochoa and the Classes. Specifically, ZGG has been  
6 unjustly enriched by obtaining revenues and profits that it would not  
7 otherwise have obtained absent its false, misleading, and deceptive  
8 conduct.

9 275. Ms. Ochoa enjoys playing mobile games and is continuously in  
10 the market for lawful mobile games. As such, she is likely to continue to  
11 encounter Defendant's unlawful Games absent injunctive relief.

12 276. ZGG is continuing to expose the general public to its false  
13 advertising. Plaintiffs, members of the class and the general public continue  
14 to use their mobile devices to explore new applications and therefore have  
15 an ongoing interest in ZGG discontinuing its illegal, unfair and fraudulent  
16 business practices.

17 277. Through its unfair acts and practices, ZGG improperly obtained  
18 money from Ms. Ochoa and members of the Classes. As such, Plaintiffs,  
19 on behalf of themselves and the putative Classes, request that this Court  
20 cause ZGG to restore this money to Ms. Ochoa and the members of the  
21 Classes, and to enjoin ZGG from continuing to violate the UCL, and/or from  
22 violating the UCL in the future. Otherwise, Ms. Ochoa and members of the  
23 Classes may be irreparably harmed and/or denied an effective and  
24 complete remedy if such an order is not granted.  
25  
26  
27  
28

**SECOND CLAIM FOR RELIEF**

**Violation of California's Unfair Competition Law ("UCL")  
Cal. Bus. & Profession Code §17200 *et seq.*  
Ms. Ochoa - Illegal Gambling**

278. Ms. Ochoa incorporates by reference all allegations in this Complaint and restates them as if fully set forth herein.

279. Ms. Ochoa brings this claim for relief on behalf of themselves and all Classes.

280. The UCL defines unfair business competition to include any "unlawful, unfair or fraudulent" act or practice, as well as any "unfair, deceptive, untrue or misleading" advertising. Cal. Bus. & Prof. Code §17200.

281. A business act or practice is "unlawful" under the UCL if it violates any other law or regulation.

282. As a result of engaging in the conduct alleged in this Complaint, Defendant has violated the UCL's proscription against engaging in "unlawful" conduct by virtue of its violations of the following laws:

**(a) California's Gambling Control Act (Cal. Bus. & Prof. Code §§ 19800, *et seq.*):** Sections 19801 and 19850 of the Gambling Control Act provide that unless licensed, state law prohibits commercially operated gambling facilities; that no new gambling establishment may be opened except upon affirmative vote of the electors; that all gambling operations and persons having significant involvement therein shall be licensed, registered, and regulated; and that all persons involved in dealing, operating, carrying on, conducting, maintaining or exposing for play any gambling game shall apply for and obtain a valid state gambling license. The Games and their coins constitute a "gambling game" because they are a "controlled game," which is "any game of chance, including any gambling



1 device...played for currency, check, credit, or any other thing of value that  
2 is not prohibited and made unlawful by statute or local ordinance.” Cal.  
3 Penal Code § 337j(1). As alleged herein, ZGG operates, carries on,  
4 conducts, maintains, and exposes for play gambling activities. On  
5 information and belief, ZGG has not applied for or obtained any state  
6 gambling license, and therefore violates California’s Gambling Control Act.

7 **(b) California Penal Code § 330a:** Titled “Possession or  
8 keeping of slot or card machine or card dice,” section 330a declares that  
9 “[e]very person, who has in his or her possession or under his or her  
10 control...or who permits to be placed, maintained, or kept in any room,  
11 space, inclosure, or building owned, leased, or occupied by him or her, or  
12 under his or her management or control, any slot or card machine,  
13 contrivance, appliance or mechanical device, upon the result of action of  
14 which money or other valuable thing is staked or hazarded, and which is  
15 operated, or played, by placing or depositing therein any coins, checks,  
16 slugs, balls, or other articles or device, or in any other manner and by  
17 means whereof, or as a result of the operation of which any merchandise,  
18 money, representative or articles of value, checks, or tokens, redeemable  
19 in or exchangeable for money or any other thing of value, is won or lost, or  
20 taken from or obtained from the machine, when the result of action or  
21 operation of the machine, contrivance, appliance, or mechanical device is  
22 dependent upon hazard or chance...is guilty of a misdemeanor.”

23 Defendants violate section 330a because as alleged, Defendants each  
24 possess, have under their control, or permit illegal slot machines where  
25 tokens or things of value are won or lost upon chance.  
26

27 **(c) California Penal Code § 330b:** Titled “Possession or  
28 keeping of slot machines or devices,” section 330b declares that “[i]t is

1 unlawful for any person to manufacture, repair, own, store, possess, sell,  
2 rent, lease, let on shares, lend or give away, transport, or expose for sale  
3 or lease, or to offer to repair, sell, rent, lease, let on shares, lend or give  
4 away, or permit the operation, placement, maintenance, or keeping of, in  
5 any place, room, space, or building owned, leased, or occupied, managed,  
6 or controlled by that person, any slot machine or device, as defined in this  
7 section.” It is also “unlawful for any person to make or permit the making of  
8 an agreement with another person regarding any slot machine or device,  
9 by which the user of the slot machine or device, as a result of the element  
10 of hazard or chance or other unpredictable outcome, may become entitled  
11 to receive money, credit, allowance, or other thing of value or additional  
12 chance or right to use the slot machine or device...” As alleged, ZGG  
13 makes, repairs, owns and gives away the Games’ slot machines. Further,  
14 as alleged, ZGG has made agreements with Apple, Google, Plaintiffs,  
15 members of the Classes and others regarding slot machines or devices  
16 and permits the operation, placement, maintenance, or keeping of a slot  
17 machine or device as defined by Penal Code § 330b(d). Still further, as  
18 alleged, AC has made or permitted the making of an agreement with  
19 AppLovin Cyprus Ltd., ZGG, Madness Limited, Apple, Google, Plaintiffs,  
20 members of the Classes and others regarding slot machines or devices.  
21

22 **(d) California Penal Code §§ 330.1 et seq.:** Titled  
23 “Manufacture, possession, or disposition of slot machines or device,”  
24 section 330.1(a) declares that “Every person who manufactures, owns,  
25 stores, keeps, possesses, sells, rents, leases, lets on shares, lends or  
26 gives away, transports, or exposes for sale or lease, or offers to sell, rent,  
27 lease, let on shares, lend or give away or who permits the operation of or  
28 permits to be placed, maintained, used, or kept in any room, space, or

1 building owned, leased, or occupied by him or her or under his or her  
2 management or control, any slot machine or device as hereinafter defined,  
3 and every person who makes or permits to be made with any person any  
4 agreement with reference to any slot machine or device as hereinafter  
5 defined, pursuant to which agreement the user thereof, as a result of any  
6 element of hazard or chance, may become entitled to receive anything of  
7 value or additional chance or right to use that slot machine or device, or to  
8 receive any check, slug, token, or memorandum, whether of value or  
9 otherwise, entitling the holder to receive anything of value, is guilty of a  
10 misdemeanor.” Defendants violate section 330.1 because as alleged,  
11 Defendants have made agreements with others regarding slot machines or  
12 devices, or otherwise possess or permit illegal slot machines or devices  
13 where things of value are won as a result of chance “irrespective of  
14 whether it may, apart from any element of hazard or chance, also sell,  
15 deliver, or present some...entertainment, or other thing of value” (Cal.  
16 Penal Code § 330.1(f)). The virtual coins that may be won by paying to play  
17 the slot machines in the Games are a “token” or “thing of value” as used in  
18 section 330.1 and as defined by section 330.2.

19  
20 **(e) California Penal Code § 337j(a)(1):** By “operat[ing],  
21 carry[ing] on, conduct[ing], maintain[ing], or expos[ing] for play” unlicensed  
22 gambling in this state, ZGG violates Penal Code § 337j(a)(1).

23 **(f) California Penal Code § 337j(a)(2):** By “receiv[ing], directly  
24 or indirectly, any compensation or reward or any percentage or share of the  
25 revenue, for keeping, running, or carrying on any controlled game,”  
26 Defendants each violate Penal Code § 337j(a)(2).

27 **(g) California Penal Code § 337j(a)(3):** Through the  
28 “manufacture, distribut[ion], or repair [of] any gambling equipment within

1 the boundaries of this state” or “receiv[ing], directly or indirectly, any  
2 compensation or reward for the manufacture, distribution, or repair of any  
3 gambling equipment within the boundaries of this state” Defendants each  
4 violate Penal Code § 337j(a)(3).

5 **(h) California Penal Code §319:** “A lottery is any scheme for  
6 the disposal or distribution of property by chance, among persons who  
7 have paid or promised to pay any valuable consideration for the chance of  
8 obtaining such property or a portion of it, or for any share or any interest in  
9 such property, upon any agreement, understanding, or expectation that it is  
10 to be distributed or disposed of by lot or chance, whether called a lottery,  
11 raffle, or gift enterprise, or by whatever name the same may be known.”  
12 The Games are illegal lotteries as defined by California Penal Code 319.  
13 Cal. Penal Code §§319, 322, 323, 326.

14 283. Defendants have violated the “unlawful” prong under the UCL.  
15 Defendants have violated the above-identified California Penal Code  
16 sections by making, selling, distributing, entering into agreements relating  
17 to and profiting from the Games. Defendants have further violated the  
18 above-identified California Penal Code sections through the sale of virtual  
19 coins in the Games.

20 284. Because Defendants’ profiting from the sale of virtual coins in  
21 the Games is illegal, Ms. Ochoa and members of the Classes, who by  
22 definition purchased such illegal virtual coins, have suffered a cognizable  
23 harm under UCL. *Debernardis v. IQ Formulations, LLC*, 942 F.3d 1076,  
24 1086 (11th Cir. 2019); *Allergan U.S. v. Imprimis Pharm., Inc.*, 2019 U.S.  
25 Dist. LEXIS 163228, at \*27 n.9 (C.D. Cal. Mar. 27, 2019); *Franz v.*  
26 *Beiersdorf, Inc.*, 745 F. App’x 47, 48 (9th Cir. 2018)).

27 285. A business act or practice is “unfair” under the UCL if the  
28

1 reasons, justifications, and motives of the alleged wrongdoer are  
2 outweighed by the gravity of the harm to the alleged victims. A business act  
3 or practice is “fraudulent” under the UCL if it is likely to deceive members of  
4 the consuming public.

5 286. The sale of virtual coins in the Games is unfair and fraudulent  
6 under the UCL, because Defendants failed to disclose they are illegal  
7 under California’s gambling laws. That omission was a material factor in  
8 Ms. Ochoa’s decision to download, play and expend money purchasing  
9 virtual coins in Jackpot Master. Had Ms. Ochoa that Jackpot Master  
10 violated California’s gambling laws, she would not have downloaded and  
11 began playing it or spending money in Jackpot Master.

12 287. As a result of these violations under each of the fraudulent,  
13 unfair, and unlawful prongs of the UCL, ZGG has been unjustly enriched at  
14 the expense of Ms. Ochoa and the putative class members. Specifically,  
15 ZGG has been unjustly enriched by obtaining revenues and profits it would  
16 not otherwise have obtained absent its false, misleading, and deceptive  
17 conduct. ZGG will continue to unjustly enrich from the Games from  
18 members of the putative class and other consumers if its conduct is not  
19 enjoined.  
20

21 288. Ms. Ochoa enjoys playing mobile games and is continuously in  
22 the market for lawful mobile games. As such, she is likely to continue to  
23 encounter Defendant’s unlawful Games absent injunctive relief.

24 289. Ms. Ochoa, on behalf of herself, the putative Classes and the  
25 general public, request that this Court enjoin ZGG from violating the UCL  
26 and California gambling laws with respect to Jackpot Master and any other  
27 game it develops and publishes now or in the future, including without  
28 limitation Cash Tornado and Jackpot Friends. Otherwise, Ms. Ochoa and

1 the public will be irreparably harmed and/or denied an effective and  
2 complete remedy if such an order is not granted. ZGG has demonstrated  
3 its willingness to continue violating California gambling laws. Ms. Ochoa  
4 and members of the public continue to use their mobile devices to  
5 download mobile applications and therefore have a continuing interest in  
6 ensuring that the applications available on the Apple and Google mobile  
7 stores are not misleadingly distributing illegal, unlicensed and addictive  
8 games of chance.

9 **THIRD CLAIM FOR RELIEF**

10 **Violation of California False Advertising Law ("FAL")**  
11 **Ms. Ochoa - Cal. Business & Professional Code §17500 *et seq.***

12 290. Plaintiffs incorporate by reference all allegations in this  
13 Complaint and restates them as if fully set forth herein.

14 291. The FAL prohibits unfair, deceptive, untrue, or misleading  
15 advertising, including, but not limited to, false statements as to worth, value,  
16 and former price.

17 292. Furthermore, the FAL provides that: "No price shall be  
18 advertised as a former price of any advertised thing, unless the alleged  
19 former price was the prevailing market price as above defined within three  
20 months next immediately preceding the publication of the advertisement or  
21 unless the date when the alleged former price did prevail is clearly, exactly  
22 and conspicuously stated in the advertisement." Cal. Bus. & Prof. Code  
23 §17501.

24 293. The false strikethrough ads and false limited time special ads  
25 misrepresent the existence of a sale whereby players can allegedly  
26 purchase more gold than they normally could for the same price.

27 294. Ms. Ochoa enjoys playing mobile games and is continuously in  
28 the market for lawful mobile games. As such, she is likely to continue to



1 encounter Defendant's unlawful Games absent injunctive relief.

2 295. ZGG is continuing to expose the general public to its false  
3 advertising. Plaintiffs, members of the class and the general public continue  
4 to use their mobile devices to explore new applications and therefore have  
5 an ongoing interest in ZGG discontinuing its illegal, unfair and fraudulent  
6 business practices.

7 296. Through its unfair acts and practices, ZGG has improperly  
8 obtained money from Ms. Ochoa and members of the Classes. As such,  
9 Ms. Ochoa, on behalf of herself and the putative Classes, request that this  
10 Court cause ZGG to restore this money to her and the members of the  
11 Classes, and to enjoin ZGG from continuing to violate the FAL, and/or from  
12 violating the FAL in the future. Otherwise, Ms. Ochoa and members of the  
13 Classes may be irreparably harmed and/or denied an effective and  
14 complete remedy if such an order is no granted.

15 **FOURTH CLAIM FOR RELIEF**

16 **Violation of the California Consumer Legal Remedies Act ("CLRA")**  
17 **Cal. Civ. Code. §1750 et seq.**  
18 **Ms. Ochoa - False and Misleading Sales**

19 297. Plaintiffs incorporate by reference all allegations in this  
20 Complaint and restate them as if fully set forth herein.

21 298. Ms. Ochoa and members of the Classes are consumers within  
22 the meaning of Cal. Civ. Code §1761(d) and have engaged in a transaction  
23 within the meaning of Cal. Civ. Code §§1761(e) and 1770.

24 299. ZGG is a "person" within the meaning of Cal. Civ. Code  
25 §§1761(c) and 1770 and sells "goods or services" within the meaning of  
26 Cal. Civ. Code §§1761(b) and 1770.

27 300. Jackpot Master is a "service" within the meaning of Cal. Civ.  
28 Code. §§1761(a) and (b). Specifically, Jackpot Master provides online

1 gaming services. The purchase of in-game gold in Jackpot Master is a  
2 transaction for accessing those services. The purpose of the in-game gold  
3 is to access the gameplay services offered by Jackpot Master and the  
4 purchase of in-game gold is used to access those services.

5 301. ZGG's May 2020 terms of service for Jackpot Master defines is  
6 as "Services." ZGG's October 2022 terms of service for Jackpot Master  
7 states that ZGG "provide[s] a service in the form of access to games."

8 302. ZGG has violated §1770(a)(13)'s proscription against making  
9 false or misleading statements of fact concerning reasons for, existence of,  
10 or amounts of, price reductions by misrepresenting the existence of  
11 discounts for the purchase of gold coins via false strikethrough ads.

12 303. Ms. Ochoa and the putative Classes suffered actual damages  
13 as a direct and proximate result of ZGG's actions, concealment, and/or  
14 omissions in the advertising, marketing, and promotion of the Games, in  
15 violation of the CLRA, as evidenced by the substantial sums ZGG has  
16 pocketed.

17 304. On June 9, 2022, Ms. Ochoa's counsel wrote to ZGG enclosing  
18 a copy of her original complaint and seeking resolution of her claims. ZGG  
19 never responded.

20 305. Ms. Ochoa's First Amended Complaint set forth a CLRA cause  
21 of action that sought only injunctive relief. Paragraph 38 of the Ms. Ochoa's  
22 First Amended Complaint, within the Third Claim Relief pursuant to CLRA,  
23 states: "Plaintiff, on behalf of herself and the Class and Subclass, demands  
24 judgment against Defendant **for injunctive relief and attorney's fees.**"  
25 ECF No. 2-1 at 16 (emphasis added). This claim for relief was specific to  
26 the CLRA claim and deliberately excluded damages. While Ms. Ochoa's  
27 First Amended Complaint included in its Prayer for Relief a general request  
28

1 damages (*Id.* at 18), that general prayer for relief was not intended to apply  
2 to the CLRA claim, which included its own specific claim for relief that was  
3 limited to injunctive relief and attorneys' fees.

4 306. More than thirty days after serving her FAC on Defendant, Ms.  
5 Ochoa filed and served her Second Amended Complaint. Paragraph 95 of  
6 the Second Amended Complaint changed the claim for relief for the CLRA  
7 claim to specifically add damages, which was absent in the corresponding  
8 sentence in the FAC: "Plaintiff, on behalf of herself and the Class and  
9 Subclass, demands judgment against Defendants for **damages, injunctive**  
10 **relief and attorney's fees.**" SAC at ¶95 (emphasis added). This  
11 demonstrates Ms. Ochoa's intent to limit the relief sought under CLRA  
12 claim in the FAC to only injunctive relief. Ms. Ochoa's addition of a  
13 damages claim under CLRA in the SAC and in this Third Amended  
14 Complaint is therefore permissible under California Civil Code §1782(d).

15 307. Even if it is found the original Complaint and First Amended  
16 Complaint inadvertently and impermissibly made a claim for damages  
17 under CLRA, Courts have found that the appropriate remedy is not  
18 dismissal, but to strike the prior damages claim with leave to amend  
19 pursuant to §1782(d). *Deitz v. Comcast Corp.*, No. C 06-06352 WHA, 2006  
20 WL 3782902, at \*6 (N.D. Cal. Dec. 21, 2006) (dismissing with leave to  
21 amend CLRA claim "[g]iven that the legislature specifically contemplated  
22 that an action seeking injunctions can be amended to include a damages  
23 claim after the thirty days have run."); *Werdebaugh v. Blue Diamond*  
24 *Growers*, No. 12-CV-02724-LHK, 2013 WL 5487236, at \*17 (N.D. Cal. Oct.  
25 2, 2013) (holding plaintiff was not required to seek leave to amend under  
26 Rule 15 in order to add his claim for CLRA money damages); *Seifi v.*  
27 *Mercedes-Benz USA, LLC*, No. C12-5493 THE, 2013 WL 5568449 at \*6  
28

1 (N.D. Cal. Oct. 9, 2013).

2 308. Ms. Ochoa enjoys playing mobile games and is continuously in  
3 the market for lawful mobile games. As such, she is likely to continue to  
4 encounter Defendant's unlawful Games absent injunctive relief.

5 309. ZGG is continuing to expose the general public to its false  
6 advertising. Plaintiffs, members of the class and the general public continue  
7 to use their mobile devices to explore new applications and therefore have  
8 an ongoing interest in ZGG discontinuing its illegal, unfair and fraudulent  
9 business practices.

10 310. Plaintiffs, on behalf of themselves and the Classes, demand  
11 judgment against ZGG for injunctive relief and attorney's fees and to the  
12 extent permitted by the Court, damages.

13 **FIFTH CLAIM FOR RELIEF**  
14 **Violation of the California Consumer Legal Remedies Act ("CLRA")**  
15 **Cal. Civ. Code. §1750 et seq.**  
16 **Ms. Ochoa - Illegal Gambling**

17 311. Plaintiffs incorporate by reference all allegations in this  
18 Complaint and restate them as if fully set forth herein.

19 312. Ms. Ochoa and members of the Classes are consumers within  
20 the meaning of Cal. Civ. Code §1761(d) and have engaged in a transaction  
21 within the meaning of Cal. Civ. Code §§1761(e) and 1770.

22 313. ZGG is a "person" within the meaning of Cal. Civ. Code  
23 §§1761(c) and 1770 and sells "goods or services" within the meaning of  
24 Cal. Civ. Code §§1761(b) and 1770.

25 314. The Games are each a "service" within the meaning of Cal. Civ.  
26 Code. §§1761(a) and (b). Specifically, the Games each provide online  
27 gaming services. The purchase of in-game gold for these games is a  
28 transaction for accessing those services. The only purpose of the in-game

1 gold is to access the gameplay services offered by the Games and the  
2 purchase of in-game gold is necessary to access those services when  
3 players run out of such gold.

4 315. ZGG states in its terms of use for the Games that ZGG  
5 “provide[s] a service in the form of access to games.”

6 316. By engaging in the conduct described herein, ZGG has violated  
7 subdivision (a)(14) of California Civil Code §1770 by: “Representing that a  
8 transaction confers or involves rights, remedies, or obligations that it does  
9 not have or involve, or that are prohibited by law.” Under this provision,  
10 omissions are actionable.

11 317. ZGG has advertised the Games while omitting that the Games  
12 are engaged in illegal gambling.

13 318. By engaging in the conduct described herein, ZGG has also  
14 violated subdivision (a)(26) of California Civil Code §1770 by “Advertising,  
15 offering for sale, or selling a financial product that is illegal under state or  
16 federal law....”

17 319. ZGG advertises the Games and their illegal financial products  
18 on ZGG’s website, through social media and through the App Store and  
19 Play Store. ZGG also advertises, offers for sale and sells virtual coins in the  
20 Games that are illegal financial products.

21 320. ZGG violated the CLRA by representing to or omitting from Ms.  
22 Ochoa and members of the Classes that the transactions involving virtual  
23 coins in Jackpot Master confer or involve rights to potentially valuable  
24 prizes, when in fact these transactions constitute unlawful gambling  
25 transactions that are prohibited by law, foster compulsive and addictive  
26 behavior, and are a predatory form of duplicitously profiting from others.  
27 These omissions are material because a reasonable consumer would  
28

1 deem them important in determining how to act in the transaction at issue  
2 and, if prohibited by law, should not have been permitted to purchase  
3 virtual coins. Further, the omissions about virtual coins are misleading in  
4 light of other facts that ZGG did disclose.

5 321. ZGG's violations of the CLRA proximately caused injury in fact  
6 to Ms. Ochoa and the members of the Classes.

7 322. Ms. Ochoa and the members of the Classes transacted with the  
8 Jackpot Master on the belief that the transaction was lawful. Indeed, a  
9 reasonable consumer believes in the lawfulness of his or her transactions.

10 323. Ms. Ochoa enjoys playing mobile games and is continuously in  
11 the market for lawful mobile games. As such, she is likely to continue to  
12 encounter Defendant's unlawful Games absent injunctive relief.

13 324. ZGG is continuing to expose the general public to its illegal  
14 gambling. Plaintiffs, members of the class and the general public continue  
15 to use their mobile devices to explore new applications and therefore have  
16 an ongoing interest in ZGG discontinuing its illegal, unfair and fraudulent  
17 business practices.

18 325. Pursuant to Cal. Civ. Code § 1782(d), Ms. Ochoa, individually  
19 and on behalf of the other members of the Classes, seek a Court order  
20 enjoining the above-described wrongful acts and practices of ZGG and  
21 attorneys' fees.

22 326. Plaintiffs, individually and on behalf of the other members of the  
23 Classes, do not presently seek damages for this claim for relief, but reserve  
24 the right to seek leave to amend pursuant to §1782(d) to add a claim for  
25 relief for damages.  
26  
27  
28



**SIXTH CLAIM FOR RELIEF**  
**California Common Law Fraud**  
**Ms. Ochoa – Illegal Gambling**

327. Plaintiffs incorporate by reference all allegations in this Complaint and restate them as if fully set forth herein.

328. ZGG advertised Jackpot Master to Ms. Ochoa and members of the Classes and omitted that Jackpot Master violated California's gambling laws.

329. ZGG presented Jackpot Master publicly as a free-to-play "social casino" game and omitted that Jackpot Master provided illegal games of chance and slot machines under California law.

330. These representations and omissions were false because Jackpot Master violates California's gambling laws.

331. On information and belief, ZGG knew, actually or constructively, that these representations and omissions were false following the Ninth Circuit decision in *Kater*.

332. These representations and omissions were material to the decision of Ms. Ochoa and members of the Classes in downloading and playing Jackpot Master.

333. Ms. Ochoa and members of the Classes had a reasonable expectation that ZGG and Jackpot Master complied with California law, because ZGG is headquartered in California, its parent company is headquartered in California and it distributes Jackpot Master through mobile devices and storefronts owned and operated by California entities.

334. Ms. Ochoa and members of the Classes reasonably relied on these representations and omissions in deciding to download and play Jackpot Master.

335. Had Ms. Ochoa and members of the Classes known Jackpot

1 Master was engaging in illegal gambling, they would not have downloaded  
2 and played Jackpot Master.

3 336. Ms. Ochoa and members of the Classes were harmed, because  
4 if they had never downloaded and played Jackpot Master they would not  
5 have played its illegal slot machines, been subjected to its false advertising,  
6 induced into making purchases of virtual coins and lost those coins to the  
7 game's slot machines.

8 337. ZGG is continuing to violate California's gambling laws through  
9 the Games and has introduced at least one new game that also violates  
10 California's gambling laws. ZGG's continuing and expanding activities  
11 exposes the general public to illegal and addictive games of chance that  
12 will irreparably harm those and future consumers. Ms. Ochoa and members  
13 of the Classes have an ongoing interest in the legal compliance of games  
14 openly distributed in mobile storefronts, particularly when exposing the  
15 public, including minors, to illegal and addictive games of chance without  
16 warning, adequate disclosure or safeguards.

17 338. The public harm caused by the Games and ZGG's activities far  
18 outweigh any benefit.

19 339. Ms. Ochoa enjoys playing mobile games and is continuously in  
20 the market for lawful mobile games. As such, she is likely to continue to  
21 encounter Defendant's unlawful Games absent injunctive relief.

22 340. Ms. Ochoa, on behalf of herself, the Classes and the public,  
23 demand judgment against Defendants for equitable relief, including  
24 injunctive relief, disgorgement of profits and attorney's fees.  
25  
26  
27  
28

**SEVENTH CLAIM FOR RELIEF**  
**California Common Law Fraud**  
**Ms. Ochoa – False Advertising**

341. Plaintiffs incorporate by reference all allegations in this Complaint and restate them as if fully set forth herein.

342. ZGG represented to Ms. Ochoa and members of the Classes when they began playing Jackpot Master that Super Sale offers in Jackpot Master would be available for only a limited duration and that the stricken prices in the Super Sale ads represented the ordinary, normal and prevailing price for the listed quantity of gold coins offered in Jackpot Master.

343. These representations were false because the prevailing price for the listed quantity of gold coins was lower than represented by ZGG in the Super Sale offers presented to new users. These representations were also false because the Super Sale offers would be offered repeatedly and frequently, and are only unavailable for trivial periods of time, if any.

344. ZGG knew these representations were false, because it had knowledge of and control over Jackpot Master's advertisements and offers for coins.

345. ZGG designed the graphical images of the advertisements in a way that intentionally attracted Ms. Ochoa and the members of the Classes to the enticing but false claims regarding gold amounts, pricing and the duration of sales.

346. Ms. Ochoa and the putative Classes reasonably relied upon the claims made in the advertisements in deciding to purchase the aforementioned coin bundles.

347. Ms. Ochoa and the putative Classes were harmed because,

1 had Ms. Ochoa and class members known the claims were false, they  
2 would not have made some or all of those purchases.

3 348. Ms. Ochoa's and class members' reliance on ZGG's  
4 misrepresentations in its advertisements was a substantial factor in causing  
5 harm to Ms. Ochoa and the putative Classes.

6 349. ZGG is continuing to deploy misleading Super Sale offers in  
7 Jackpot Master and Cash Tornado and using the same misleading Super  
8 Sale offers in a recently released game. Unless enjoined, ZGG will continue  
9 engaging in this false and misleading business practice, which induces  
10 users to spend money in ZGG's games as early as possible and become  
11 trapped in an addictive compulsion loop of spending. ZGG's ongoing  
12 conduct creates a risk of irreparable harm to the general public. Ms. Ochoa,  
13 members of the Classes and the public have an ongoing interest in  
14 preventing games being openly distributed in mobile storefronts that they  
15 continue to use from engaging in unfair and illegal business practices.

16 350. Ms. Ochoa enjoys playing mobile games and is continuously in  
17 the market for lawful mobile games. As such, she is likely to continue to  
18 encounter Defendant's unlawful Games absent injunctive relief.

19 351. Ms. Ochoa, on behalf of herself, the Classes and the public,  
20 demands judgment against ZGG for damages, injunctive relief, restitution  
21 and attorney's fees.

22 **EIGHT CLAIM FOR RELIEF**  
23 **Negligent Misrepresentation**  
24 **Ms. Ochoa – Illegal Gambling**

25 352. Plaintiffs incorporate by reference all allegations in this  
26 Complaint and restate them as if fully set forth herein.

27 353. ZGG advertised Jackpot Master to Ms. Ochoa and members of  
28 the Classes and omitted that Jackpot Master violated California's gambling

1 laws.

2 354. ZGG presented Jackpot Master publicly as a free-to-play “social  
3 casino” game and omitted that Jackpot Master provided illegal games of  
4 chance and slot machines under California law.

5 355. These representations and omissions were false because  
6 Jackpot Master violates California’s gambling laws.

7 356. ZGG has a duty to know whether its Games comply with  
8 California gambling laws.

9 357. On information and belief, ZGG should have known that these  
10 representations and omissions were false following the Ninth Circuit  
11 decision in *Kater*. On information and belief, ZGG did not take reasonable  
12 steps to ensure that its Games complied with California gambling laws.

13 358. These representations and omissions were material to the  
14 decision of Ms. Ochoa and members of the Classes in downloading and  
15 playing Jackpot Master.

16 359. Ms. Ochoa and members of the Classes had a reasonable  
17 expectation that ZGG and Jackpot Master complied with California law,  
18 because ZGG is headquartered in California, its parent company is  
19 headquartered in California and it distributes Jackpot Master through  
20 mobile devices and storefronts owned and operated by California entities.

21 360. Ms. Ochoa and members of the Classes reasonably relied on  
22 these representations and omissions in deciding to download and play  
23 Jackpot Master.

24 361. Had Ms. Ochoa and members of the Classes known Jackpot  
25 Master was engaging in illegal gambling, they would not have downloaded  
26 and played Jackpot Master.

27 362. Ms. Ochoa and members of the Classes were harmed, because  
28

1 if they had never downloaded and played Jackpot Master they would not  
2 have played its illegal slot machines, been subjected to its false advertising,  
3 induced into making purchases of virtual coins and lost those coins to the  
4 game's slot machines.

5 363. ZGG is continuing to violate California's gambling laws through  
6 the Games and has introduced at least one new game that also violates  
7 California's gambling laws. ZGG's continuing and expanding activities  
8 exposes the general public to illegal and addictive games of chance that  
9 will irreparably harm those and future consumers. Ms. Ochoa and members  
10 of the Classes have an ongoing interest in the legal compliance of games  
11 openly distributed in mobile storefronts, particularly when exposing the  
12 public, including minors, to illegal and addictive games of chance without  
13 warning, adequate disclosure or safeguards.

14 364. The public harm caused by the Games and ZGG's activities far  
15 outweigh any benefit.

16 365. Ms. Ochoa enjoys playing mobile games and is continuously in  
17 the market for lawful mobile games. As such, she is likely to continue to  
18 encounter Defendant's unlawful Games absent injunctive relief.

19 366. Ms. Ochoa, on behalf of herself, the Classes and the public,  
20 demand judgment against Defendants for equitable relief, including  
21 injunctive relief, disgorgement of profits and attorney's fees.  
22

23 **NINTH CLAIM FOR RELIEF**  
24 **Negligent Misrepresentation**  
25 **Ms. Ochoa – False Advertising**

26 367. Plaintiffs incorporate by reference all allegations in this  
27 Complaint and restate them as if fully set forth herein.

28 368. ZGG represented to Ms. Ochoa and members of the Classes



1 when they began playing Jackpot Master that Super Sale offers in Jackpot  
2 Master would be available for only a limited duration and that the stricken  
3 prices in the Super Sale ads represented the ordinary, normal and  
4 prevailing price for the listed quantity of gold coins offered in Jackpot  
5 Master.

6 369. These representations were false because the prevailing price  
7 for the listed quantity of gold coins was lower than represented by ZGG in  
8 the Super Sale offers presented to new users. These representations were  
9 also false because the Super Sale offers would be offered repeatedly and  
10 frequently, and are only unavailable for trivial periods of time, if any.

11 370. ZGG should have known that these representations were false,  
12 because it had knowledge of and control over Jackpot Master's  
13 advertisements and offers for coins.

14 371. ZGG designed the graphical images of the advertisements in a  
15 way that intentionally attracted Ms. Ochoa and the members of the Classes  
16 to the enticing but false claims regarding gold amounts, pricing and the  
17 duration of sales.

18 372. Ms. Ochoa and the putative Classes reasonably relied upon the  
19 claims made in the advertisements in deciding to purchase the  
20 aforementioned coin bundles.

21 373. Ms. Ochoa and the putative Classes were harmed because,  
22 had Ms. Ochoa and class members known the claims were false, they  
23 would not have made some or all of those purchases.

24 374. Ms. Ochoa's and class members' reliance on ZGG's  
25 misrepresentations in its advertisements was a substantial factor in causing  
26 harm to Ms. Ochoa and the putative Classes.

27 375. ZGG is continuing to deploy misleading Super Sale offers in  
28

1 Jackpot Master and Cash Tornado and using the same misleading Super  
2 Sale offers in a recently released game. Unless enjoined, ZGG will continue  
3 engaging in this false and misleading business practice, which induces  
4 users to spend money in ZGG's games as early as possible and become  
5 trapped in an addictive compulsion loop of spending. ZGG's ongoing  
6 conduct creates a risk of irreparable harm to the general public. Ms. Ochoa,  
7 members of the Classes and the public have an ongoing interest in  
8 preventing games being openly distributed in mobile storefronts that they  
9 continue to use from engaging in unfair and illegal business practices.

10 376. The public harm caused by the Games and ZGG's activities far  
11 outweigh any benefit.

12 377. Ms. Ochoa enjoys playing mobile games and is continuously in  
13 the market for lawful mobile games. As such, she is likely to continue to  
14 encounter Defendant's unlawful Games absent injunctive relief.

15 378. Ms. Ochoa, on behalf of herself, the Classes and the public,  
16 demands judgment against ZGG for damages, injunctive relief, restitution  
17 and attorney's fees.

18  
19 **TENTH CLAIM FOR RELIEF**  
20 **Arkansas Common Law Fraud**  
21 **Ms. Brown – Illegal Gambling**

22 379. Plaintiffs incorporate by reference all allegations in this  
23 Complaint and restate them as if fully set forth herein.

24 380. ZGG advertised Cash Tornado to Ms. Brown and members of  
25 the Classes and omitted that Cash Tornado violates Arkansas and  
26 California gambling laws, in addition to other state's laws, such as  
27 Washington.

28 381. ZGG presented Cash Tornado publicly as a free-to-play "social  
casino" game and omitted that Cash Tornado provided illegal slot machines

1 and games of chance under Arkansas and California law.

2 382. These representations and omissions were false because Cash  
3 Tornado violates at least Arkansas and California gambling laws.

4 383. On information and belief, ZGG knew, actually or constructively,  
5 that these representations and omissions were false following the Ninth  
6 Circuit decision in *Kater*.

7 384. These representations and omissions were material to the  
8 decision of Ms. Brown and members of the Classes in downloading and  
9 playing Cash Tornado.

10 385. Ms. Brown and members of the Classes had a reasonable  
11 expectation that ZGG and Cash Tornado complied with California law,  
12 because ZGG is headquartered in California, its parent company is  
13 headquartered in California and it distributes Cash Tornado through mobile  
14 devices and storefronts owned and operated by California entities.

15 386. Ms. Brown and members of the Arkansas Classes further had a  
16 reasonable expectation that ZGG and Cash Tornado complied with  
17 Arkansas law.

18 387. Ms. Brown and members of the Classes reasonably relied on  
19 these representations and omissions in deciding to download and play  
20 Cash Tornado.

21 388. Had Ms. Brown and members of the Classes known Cash  
22 Tornado was engaging in illegal gambling, they would not have  
23 downloaded and played Cash Tornado.

24 389. Ms. Brown and members of the Classes were harmed, because  
25 if they had never downloaded and played Cash Tornado they would not  
26 have played its illegal slot machines, been subjected to its false advertising,  
27 induced into making purchases of virtual coins and lost those coins to the  
28

1 game's slot machines.

2 390. ZGG is continuing to violate Arkansas and California gambling  
3 laws through the Games and has introduced at least one new game that  
4 also violates Arkansas and California gambling laws. ZGG's continuing and  
5 expanding activities exposes the general public to illegal and addictive  
6 games of chance that will irreparably harm those and future consumers.  
7 Ms. Brown and members of the Classes have an ongoing interest in the  
8 legal compliance of games openly distributed in mobile storefronts,  
9 particularly when exposing the public, including minors, to illegal and  
10 addictive games of chance without warning, adequate disclosure or  
11 safeguards.

12 391. ZGG's representations and omissions regarding Cash Tornado  
13 and its non-compliance with gambling laws in Arkansas and California  
14 constitute fraud under Arkansas common law. To the extent California fraud  
15 law cannot apply to certain class members, Arkansas fraud law can apply,  
16 because no differences in common law fraud under Arkansas and other  
17 state laws are material to the claims here.

18 392. Ms. Brown enjoys playing mobile games and is continuously in  
19 the market for lawful mobile games. As such, she is likely to continue to  
20 encounter Defendant's unlawful Games absent injunctive relief.

21 393. The public harm caused by the Games and ZGG's activities far  
22 outweigh any benefit.

23 394. Ms. Brown, on behalf of herself, the Classes and the public,  
24 demand judgment against Defendants under Arkansas common law fraud  
25 for damages, restitution, equitable relief, including injunctive relief,  
26 disgorgement of profits and attorney's fees.  
27  
28

**ELEVENTH CAUSE OF ACTION**  
**Arkansas Common Law Fraud**  
**Ms. Brown – False Advertising**

395. Plaintiffs incorporate by reference all allegations in this Complaint and restate them as if fully set forth herein.

396. ZGG represented to Ms. Brown and members of the Classes when they began playing Cash Tornado that Super Sale offers in Cash Tornado would be available for only a limited duration and that the stricken prices in the Super Sale ads represented the ordinary, normal and prevailing price for the listed quantity of gold coins offered in Cash Tornado.

397. These representations were false because the prevailing price for the listed quantity of gold coins was lower than represented by ZGG in the Super Sale offers presented to new users. These representations were also false because the Super Sale offers would be offered repeatedly and frequently, and are only unavailable for trivial periods of time, if any.

398. ZGG knew these representations were false, because it had knowledge of and control over Cash Tornado's advertisements and offers for coins.

399. ZGG designed the graphical images of the advertisements in a way that intentionally attracted Ms. Brown and the members of the Classes to the enticing but false claims regarding gold amounts, pricing and the duration of sales.

400. Ms. Brown and the putative Classes reasonably relied upon the claims made in the advertisements in deciding to purchase the aforementioned coin bundles.

401. Ms. Brown and the putative Classes were harmed because, had Ms. Brown and class members known the claims were false, they would not

1 have made some or all of those purchases.

2 402. Ms. Brown's and class members' reliance on ZGG's  
3 misrepresentations in its advertisements was a substantial factor in causing  
4 harm to Ms. Brown and the putative Classes.

5 403. ZGG is continuing to deploy misleading Super Sale offers in  
6 Cash Tornado and using the same misleading Super Sale offers in a  
7 recently released game. Unless enjoined, ZGG will continue engaging in  
8 this false and misleading business practice, which induces users to spend  
9 money in ZGG's games as early as possible and become trapped in an  
10 addictive compulsion loop of spending. ZGG's ongoing conduct creates a  
11 risk of irreparable harm to the general public. Ms. Brown, members of the  
12 Classes and the public have an ongoing interest in preventing games being  
13 openly distributed in mobile storefronts that they continue to use from  
14 engaging in unfair and illegal business practices.

15 404. ZGG's misrepresentations in Super Sale offers in Cash Tornado  
16 constitute fraud under Arkansas common law. To the extent California fraud  
17 law cannot apply to certain class members, Arkansas fraud law can apply,  
18 because no differences in common law fraud under Arkansas and other  
19 state laws are material to the claims here.

20 405. Ms. Brown enjoys playing mobile games and is continuously in  
21 the market for lawful mobile games. As such, she is likely to continue to  
22 encounter Defendant's unlawful Games absent injunctive relief.

23 406. The public harm caused by the Games and ZGG's activities far  
24 outweigh any benefit.

25 407. Ms. Brown, on behalf of herself, the Classes and the public,  
26 demand judgment against Defendants under Arkansas common law fraud  
27 for damages, restitution, equitable relief, including injunctive relief,  
28



1 disgorgement of profits and attorney's fees.

2 **TWELFTH CLAIM FOR RELIEF**  
3 **Arkansas Deceptive Trade Practices Act**  
4 **Ms. Brown – Illegal Gambling**

5 408. Plaintiffs incorporate by reference all allegations in this  
6 Complaint and restate them as if fully set forth herein.

7 409. Arkansas Code §4-88-107(a) states that “[d]eceptive and  
8 unconscionable trade practices made unlawful and prohibited by this  
9 chapter include, but are not limited to, the following...(10) Engaging in any  
10 other unconscionable, false, or deceptive act or practice in business,  
11 commerce, or trade...”

12 410. Defendant engages in unconscionable, false, or deceptive acts  
13 or practices in the Games by deploying games of chance that are illegal  
14 under at least Arkansas, California and Washington law.

15 411. Arkansas Code §4-88-108 states: “(a) When utilized in  
16 connection with the sale or advertisement of any goods, services, or  
17 charitable solicitation, the following is unlawful: (1) The act, use, or  
18 employment by a person of any deception, fraud, or false pretense; (2) The  
19 concealment, suppression, or omission of any material fact with intent that  
20 others rely upon the concealment, suppression, or omission...”

21 412. Defendant utilizes in connection with the Games deception,  
22 fraud, false pretense, concealment, suppression, or omissions of material  
23 facts with the intent that others rely upon the concealment, suppression or  
24 omission. Defendant omits, conceals or suppresses that Cash Tornado  
25 violates at least Arkansas, California and Washington gambling laws.

26 413. Arkansas Code §4-88-113(f) provides: “A person who suffers an  
27 actual financial loss as a result of his or her reliance on the use of a  
28

1 practice declared unlawful by this chapter may bring an action to recover  
2 his or her actual financial loss proximately caused by the offense or  
3 violation, as defined in this chapter... To prevail on a claim brought under  
4 this subsection, a claimant must prove individually that he or she suffered  
5 an actual financial loss proximately caused by his or her reliance on the use  
6 of a practice declared unlawful under this chapter...A court may award  
7 reasonable attorney's fees."

8 414. Ms. Brown suffered an actual financial loss as a result of her  
9 reliance of Defendant's unlawful business practices. Defendant's unlawful,  
10 unconscionable and deceptive business practices and Defendant's  
11 deception, fraud, false pretense, concealment, suppression, or omissions of  
12 material facts were proximate causes of Ms. Brown's purchase and loss of  
13 virtual coins in Cash Tornado.

14 415. Ms. Brown seeks damages and attorneys' fees.

15 416. Ms. Brown brings this claim on her own behalf and not on  
16 behalf of any of the Classes.

17  
18 **THIRTEENTH CLAIM FOR RELIEF**  
19 **Arkansas Deceptive Trade Practices Act**  
20 **Ms. Brown – False Advertising**

21 417. Plaintiffs incorporate by reference all allegations in this  
22 Complaint and restate them as if fully set forth herein.

23 418. Arkansas Code §4-88-107(a) states that "[d]eceptive and  
24 unconscionable trade practices made unlawful and prohibited by this  
25 chapter include, but are not limited to, the following...(10) Engaging in any  
26 other unconscionable, false, or deceptive act or practice in business,  
27 commerce, or trade..."

28 419. Defendant engages in unconscionable, false, or deceptive acts

1 or practices in the Games by providing false and misleading Super Sale  
2 offers.

3 420. Arkansas Code §4-88-108 states: “(a) When utilized in  
4 connection with the sale or advertisement of any goods, services, or  
5 charitable solicitation, the following is unlawful: (1) The act, use, or  
6 employment by a person of any deception, fraud, or false pretense; (2) The  
7 concealment, suppression, or omission of any material fact with intent that  
8 others rely upon the concealment, suppression, or omission...”

9 421. Defendant utilizes in connection with the Games deception,  
10 fraud, false pretense, concealment, suppression, or omissions of material  
11 facts with the intent that others rely upon the concealment, suppression or  
12 omission. Defendant utilize deception, fraud and false pretense in  
13 connection with Super Sale offers in Cash Tornado.

14 422. Arkansas Code §4-88-113(f) provides: “A person who suffers an  
15 actual financial loss as a result of his or her reliance on the use of a  
16 practice declared unlawful by this chapter may bring an action to recover  
17 his or her actual financial loss proximately caused by the offense or  
18 violation, as defined in this chapter... To prevail on a claim brought under  
19 this subsection, a claimant must prove individually that he or she suffered  
20 an actual financial loss proximately caused by his or her reliance on the use  
21 of a practice declared unlawful under this chapter...A court may award  
22 reasonable attorney's fees.”

23 423. Ms. Brown suffered an actual financial loss as a result of her  
24 reliance of Defendant’s unlawful business practices. Defendant’s unlawful,  
25 unconscionable and deceptive business practices and Defendant’s  
26 deception, fraud, false pretense, concealment, suppression, or omissions of  
27 material facts were proximate causes of Ms. Brown’s purchase and loss of  
28

1 virtual coins in Cash Tornado.

2 424. Ms. Brown seeks damages and attorneys' fees. Ms. Brown  
3 brings this claim on her own behalf and not on behalf of any of the Classes.

4 **FOURTEENTH CLAIM FOR RELIEF**  
5 **Arkansas Common Law Unjust Enrichment**  
6 **(Ms. Brown)**

7 425. Plaintiffs reallege and incorporate by reference the allegations  
8 set forth in each of the preceding paragraphs of this Complaint.

9 426. By their wrongful acts and omissions, ZGG was unjustly  
10 enriched at the expense of and to the detriment of Ms. Brown and the  
11 Classes. ZGG received something of value to which ZGG is not entitled  
12 and which should be restored.

13 427. ZGG were unjustly enriched as a result of the compensation it  
14 received from owning, operating, entering into agreements relating to and  
15 profiting from products and services that violate Arkansas and California  
16 gambling laws and from operating a gambling enterprise without proper  
17 public notice, safeguards or licenses.

18 428. ZGG was unjustly enriched as a result of the compensation it  
19 received from the misleading marketing and sale of virtual coins in Cash  
20 Tornado to Ms. Brown and the members of the Classes.

21 429. ZGG employed false and misleading advertising to induce  
22 players into making purchases they otherwise would not have made.  
23 Requiring ZGG to repay these ill-gotten monies is reasonable and fair.

24 430. It is also reasonable that if Cash Tornado employ an element of  
25 gambling to make money illegally, ZGG should not be allowed to enjoy  
26 profits from that illegal activity.

27 431. Ms. Brown on behalf of herself and the Classes seeks  
28

1 restitution from ZGG and an order of this Court disgorging all profits,  
2 benefits, and other compensation obtained by ZGG from its wrongful  
3 conduct.

4 432. Ms. Brown and the Classes have no adequate remedy at law.

5 **PRAYER FOR RELIEF**

6 Plaintiff prays for relief and judgment against Defendant as follows:

- 7 A. Certifying the proposed Classes defined herein;  
8 B. Appointing Plaintiffs as Class Representatives;  
9 C. Appointing counsel for Plaintiffs as Class Counsel;  
10 D. Declaring Defendants' conduct to be unlawful;  
11 E. Awarding Plaintiff and members of the Classes compensatory  
12 damages and actual damages in an amount to be determined by  
13 proof;  
14 F. Awarding Plaintiff and members of the Classes actual and statutory  
15 damages;  
16 G. Disgorging Defendants of its unjust profits;  
17 H. For punitive damages;  
18 I. For civil penalties;  
19 J. For declaratory and equitable relief, including restitution and  
20 disgorgement;  
21 K. For an order enjoining Defendants from continuing to engage in the  
22 wrongful acts and practices alleged herein;  
23 L. Awarding Plaintiffs the costs of prosecuting this action, including  
24 expert witness fees;  
25 M. Awarding Plaintiffs reasonable attorney's fees and costs as allowable  
26 by law;  
27 N. Awarding pre-judgment and post-judgment interest; and  
28

1 O. Granting any other relief as this Court may deem just and proper.  
2  
3

4 DATED: June 6, 2023  
5

THE RYAN LAW GROUP

6 /s/ Andrew T. Ryan  
7 Andrew T. Ryan  
8 Attorney for Plaintiff  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



**JURY DEMAND**

Plaintiff hereby demands a jury trial on all issues and claims so triable.

DATED: June 6, 2023

THE RYAN LAW GROUP

/s/Andrew T. Ryan

Andrew T. Ryan

Attorney for Plaintiff

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

**Ochoa. et al. v. Zeroo Gravity Games, LLC. et al.**

Case No. 2:22-cv-05896

**CERTIFICATE OF SERVICE**

I, Andrew T. Ryan, certify that I am an attorney licensed to practice before all Courts in the State of California and United States District Court for the Central District of California. On this date, I served the foregoing documents (s):

**PLAINTIFF'S FOURTH AMENDED COMPLAINT**

A true and correct copy of the above entitled document(s) was sent via electronic mail to the email addresses listed below:

Michael A. Berta  
Email: michael.bera@arnoldporter.com  
Joseph Farris  
Email: joseph.farris@arnoldporter.com  
Estayvaine Bragg  
Email: estayvaine.bragg@arnoldporter.com  
Arnold & Porter Kaye Scholer LLP  
Three Embarcadero Center, 10<sup>th</sup> Floor  
San Francisco, CA 94111-4024  
Telephone: (415) 471-3100  
Facsimile: (415) 471-3400

Attorneys for Defendants

I declare the foregoing to be true and correct under penalty of perjury under the laws of the United States and the State of California.

Dated: June 6, 2023

/s/ Andrew T. Ryan

Andrew T. Ryan